UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2026

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 000-56228

IANTHUS CAPITAL HOLDINGS, INC.
(Exact Name of Registrant as Specified in its Charter)

British Columbia, Canada (State or other jurisdiction of incorporation or organization)	**98-1360810** (I.R.S. Employer Identification No.)
214 King Street, Suite 400 **Toronto, Ontario** (Address of principal executive offices)	**M5H 3S6** (Zip Code)

(646) 518-9418
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act: None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of common shares outstanding as of August 4, 2026 was 6,974,811,082.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INDUSTRY DATA

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Any statements in this Quarterly Report on Form 10-Q about our expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and are forward-looking statements. These statements are often, but not always, made through the use of words or phrases such as “believe,” “will,” “expect,” “anticipate,” “estimate,” “intend,” “plan” and “would.” For example, statements concerning financial condition, possible or assumed future results of operations, growth opportunities, industry ranking, plans and objectives of management, markets for our common shares and future management and organizational structure are all forward-looking statements. Forward-looking statements are not guarantees of performance. They involve known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to differ materially from any results, levels of activity, performance or achievements expressed or implied by any forward-looking statements.

Any forward-looking statements are qualified in their entirety by reference to the risk factors discussed throughout our most recent Annual Report on Form 10-K and any updates described in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K as may be amended, supplemented or superseded from time to time by other reports we file with the U.S. Securities and Exchange Commission (the “SEC”). You should read this Quarterly Report on Form 10-Q and the documents that we referenced herein and have filed as exhibits to the reports we file with the SEC, completely and with the understanding that our actual future results may be materially different from what we expect. You should assume that the information appearing in this Quarterly Report on Form 10-Q is accurate as of the date hereof. Because the risk factors in our SEC reports could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us or on our behalf, you should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of the information presented in this Quarterly Report on Form 10-Q, and particularly our forward-looking statements, by these cautionary statements.

ITEM 1. FINANCIAL STATEMENTS

iANTHUS CAPITAL HOLDINGS, INC.
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars or shares)

		June 30, 2026		December 31, 2025
Assets				
Cash	$	8,038	$	11,650
Restricted cash		236		220
Accounts receivable, net of allowance for credit losses of $336 (December 31, 2025 - $657)		5,468		6,430
Prepaid expenses		2,771		3,538
Inventories, net		26,149		22,252
Other current assets		3,768		4,643
Current Assets		**46,430**		**48,733**
Investments		942		842
Property, plant and equipment, net		112,813		104,732
Operating lease right-of-use assets, net		30,907		29,436
Other long-term assets		2,629		3,209
Intangible assets, net		63,146		67,476
Goodwill		1,558		1,558
Total Assets	**$**	**258,425**	**$**	**255,986**
Liabilities and Shareholders' (Deficit)				
Accounts payable	$	15,858	$	16,267
Accrued and other current liabilities		52,486		45,049
Current portion of long-term debt, net of issuance costs		203,547		—
Current portion of operating lease liabilities		7,269		7,195
Current Liabilities		**279,160**		**68,511**
Contingent consideration payable		1,340		2,319
Long-term debt, net of issuance costs		—		193,986
Long-term portion of operating lease liabilities		28,250		26,778
Other non-current liabilities		3,746		2,908
Uncertain tax position liabilities		76,678		64,524
Total Liabilities	**$**	**389,174**	**$**	**359,026**
Commitments (Refer to Note 10)				
Shareholders' (Deficit)				
Common shares - no par value. Authorized - unlimited number. 6,972,552 - issued and outstanding (December 31, 2025 - 6,859,128 - issued and outstanding)		—		—
Additional paid-in capital		1,273,467		1,272,443
Accumulated deficit		(1,404,216)		(1,375,483)
Total Shareholders' (Deficit)	**$**	**(130,749)**	**$**	**(103,040)**
Total Liabilities and Shareholders' (Deficit)	**$**	**258,425**	**$**	**255,986**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

iANTHUS CAPITAL HOLDINGS, INC.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars, except per share amounts)

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Revenues, net of discounts	**$ 35,349**	**$ 35,185**	**$ 68,859**	**$ 73,306**
Costs and expenses applicable to revenues (exclusive of depreciation and amortization expense shown separately below)	**(19,251)**	**(19,033)**	**(36,840)**	**(38,276)**
Gross profit	**16,098**	**16,152**	**32,019**	**35,030**
Operating expenses				
Selling, general and administrative expenses	13,561	15,812	27,881	32,630
Depreciation and amortization	4,156	4,080	8,265	8,299
Write-downs, (recoveries) and other charges, net	660	1,630	443	1,481
Total operating expenses	**18,377**	**21,522**	**36,589**	**42,410**
Loss from operations	**(2,279)**	**(5,370)**	**(4,570)**	**(7,380)**
Interest and other income (expense)	255	(3,930)	509	12,644
Interest expense	(4,261)	(4,071)	(8,405)	(8,283)
Accretion expense	(1,106)	(1,212)	(2,237)	(2,401)
Losses from changes in fair value of financial instruments	—	(4)	(2)	(8)
Loss before income taxes	**(7,391)**	**(14,587)**	**(14,705)**	**(5,428)**
Income tax expense	7,033	4,131	14,028	8,140
Net loss	**$ (14,424)**	**$ (18,718)**	**$ (28,733)**	**$ (13,568)**
Net loss per share - basic and diluted	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**	**$ (0.00)**
Weighted average number of common shares outstanding - basic and diluted	**6,964,990**	**6,748,225**	**6,910,908**	**6,746,946**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

iANTHUS CAPITAL HOLDINGS, INC.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS’ (DEFICIT)
(In thousands of U.S. dollars or shares)

	Three Months Ended June 30, 2026			
	Number of Common Shares ('000)	Additional Paid-in-Capital	Accumulated Deficit	Total Shareholders’ (Deficit)
Balance – March 31, 2026	**6,972,552**	**$ 1,272,945**	**$ (1,389,792)**	**$ (116,847)**
Share-based compensation	—	522	—	522
Net loss	—	—	(14,424)	(14,424)
Balance – June 30, 2026	**6,972,552**	**$ 1,273,467**	**$ (1,404,216)**	**$ (130,749)**

	Six Months Ended June 30, 2026			
	Number of Common Shares ('000)	Additional Paid-in-Capital	Accumulated Deficit	Total Shareholders' (Deficit)
Balance – January 1, 2026	**6,859,128**	**$ 1,272,443**	**$ (1,375,483)**	**$ (103,040)**
Share-based compensation	114,334	1,026	—	1,026
Share settlement for taxes paid related to restricted stock units	(910)	(2)	—	(2)
Net loss	—	—	(28,733)	(28,733)
Balance – June 30, 2026	**6,972,552**	**$ 1,273,467**	**$ (1,404,216)**	**$ (130,749)**

	Three Months Ended June 30, 2025			
	Number of Common Shares ('000)	Additional Paid-in-Capital	Accumulated Deficit	Total Shareholders’ (Deficit)
Balance – March 31, 2025	**6,745,694**	**$ 1,270,504**	**$ (1,330,130)**	**$ (59,626)**
Share-based compensation	213	544	—	544
Share settlement for taxes paid related to restricted stock units	(9,977)	(116)	—	(116)
Net loss	—	—	(18,718)	(18,718)
Balance – June 30, 2025	**6,735,930**	**$ 1,270,932**	**$ (1,348,848)**	**$ (77,916)**

	Six Months Ended June 30, 2025			
	Number of Common Shares ('000)	Additional Paid-in-Capital	Accumulated Deficit	Total Shareholders’ (Deficit)
Balance – January 1, 2025	**6,678,395**	**$ 1,269,738**	**$ (1,335,280)**	**$ (65,542)**
Share-based compensation	26,874	1,065	—	1,065
Share settlement for taxes paid related to restricted stock units	(11,006)	(121)	—	(121)
Shares issued for Cheetah Acquisition (Refer to Note 4)	41,667	250	—	250
Net loss	—	—	(13,568)	(13,568)
Balance – June 30, 2025	**6,735,930**	**$ 1,270,932**	**$ (1,348,848)**	**$ (77,916)**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

iANTHUS CAPITAL HOLDINGS, INC.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

	Six Months Ended June 30, 2026	2025
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss	$ (28,733)	$ (13,568)
Adjustments to reconcile net loss to net cash provided by operations:		
Interest income	(199)	(536)
Interest expense	8,405	8,283
Accretion expense	2,237	2,401
Depreciation and amortization	9,381	9,309
Write-downs, (recoveries) and other charges, net (Refer to Note 13)	443	1,481
Gains from deconsolidation of subsidiaries	—	(12,085)
Inventory reserve	89	(19)
Share-based compensation	1,026	1,065
Losses from changes in fair value of financial instruments	2	8
(Gain)/loss on equity method investments	(102)	12
Remeasurement of contingent consideration	154	—
Change in operating assets and liabilities (Refer to Note 13)	9,072	9,929
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	**$ 1,775**	**$ 6,280**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(5,657)	(8,388)
Acquisition of other intangible assets	(121)	(73)
Proceeds from sale of property, plant and equipment	—	2
Cash impact from acquisitions	—	(425)
Proceeds from sale of subsidiaries	—	15,814
Proceeds from notes receivables	720	885
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	**$ (5,058)**	**$ 7,815**
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of debt and professional fee obligations	(311)	(9,134)
Taxes paid related to net share settlement of restricted stock units	(2)	(121)
NET CASH USED IN FINANCING ACTIVITIES	**$ (313)**	**$ (9,255)**
CASH AND RESTRICTED CASH		
NET (DECREASE) INCREASE IN CASH AND RESTRICTED CASH DURING THE PERIOD	(3,596)	4,840
CASH AND RESTRICTED CASH, BEGINNING OF PERIOD (Refer to Note 13)	11,870	19,099
CASH AND RESTRICTED CASH, END OF PERIOD (Refer to Note 13)	**$ 8,274**	**$ 23,939**

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

iANTHUS CAPITAL HOLDINGS, INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Tabular U.S. dollar amounts and shares in thousands, unless otherwise stated)

Note 1 – Organization and Description of Business

(a) Description of Business

iAnthus Capital Holdings, Inc. ("ICH"), together with its consolidated subsidiaries (the "Company") was incorporated under the laws of British Columbia, Canada, on November 15, 2013. The Company is a vertically-integrated multi-state owner and operator of licensed cannabis cultivation, processing and dispensary facilities in the United States. Through the Company's subsidiaries, licenses, interests and contractual arrangements, the Company has the capacity to operate dispensaries and cultivation/processing facilities, and manufacture and distribute cannabis across the states in which the Company operates in the U.S.

The Company's registered office is located at 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia, V6E 4N7, Canada. The Company is listed on the Canadian Securities Exchange (the "CSE") under the ticker symbol "IAN" and on the OTCID Tier of the OTC Markets Group Inc. under the symbol "ITHUF".

The Company's business activities, and the business activities of its subsidiaries, operate in jurisdictions where the use of marijuana has been legalized under state and local laws. Under U.S. federal law, adult-use cannabis remains illegal as a Schedule I controlled substance, but, as a result of the April 23, 2026 AG Order No. 6754-2026 (the "Rescheduling Order"), medical cannabis subject to a state medical license is a Schedule III controlled substance. Notwithstanding the Rescheduling Order, cannabis remains federally illegal in most forms and continues to be subject to significant restrictions under U.S. federal law. Any proceeding that may be brought against the Company could have a material adverse effect on the Company's business plans, financial condition and results of operations.

(b) Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements (the "financial statements") have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements and, therefore, certain information, footnotes and disclosures normally included in the annual financial statements, prepared in accordance with U.S. GAAP, have been condensed or omitted in accordance with SEC rules and regulations.

The financial data presented herein should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2025, included in the Company's Annual Report on the Form 10-K filed with the SEC on March 27, 2026. In the opinion of management, the financial data presented includes all adjustments necessary to present fairly the financial position, results of operations and cash flows for the periods presented. These unaudited interim condensed consolidated financial statements include estimates and assumptions of management that affect the amounts reported on the unaudited interim condensed consolidated financial statements. Actual results could differ from these estimates.

The results of operations for the three and six months ended June 30, 2026 are not necessarily indicative of the results to be expected for the entire year ending December 31, 2026, or any other period.

Except as otherwise stated, these unaudited interim condensed consolidated financial statements are presented in U.S. dollars.

(c) Consummation of Recapitalization Transaction

On June 24, 2022 (the "Closing Date"), the Company completed its previously announced recapitalization transaction (the "Recapitalization Transaction") pursuant to the terms of the Restructuring Support Agreement (the "Restructuring Support Agreement") dated July 10, 2020, as amended on June 15, 2021, by and among the Company, all of the holders (the "Secured Lenders") of the 13.0% senior secured convertible debentures (the "Secured Notes") issued by iAnthus Capital Management, LLC ("ICM"), a wholly-owned subsidiary of the Company, and a majority of the holders (the "Consenting Unsecured Lenders") of the Company's 8.0% unsecured convertible debentures (the "Unsecured Debentures").

iANTHUS CAPITAL HOLDINGS, INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Tabular U.S. dollar amounts and shares in thousands, unless otherwise stated)

In connection with the closing of the Recapitalization Transaction, the Company issued an aggregate of 6,072,580 common shares to the Secured Lenders and the Unsecured Lenders. Specifically, the Company issued 3,036,290 common shares (the "Secured Lender Shares"), or 48.625% of the outstanding common shares of the Company, to the Secured Lenders and 3,036,290 common shares (the "Unsecured Lender Shares" and together with Secured Lender Shares, the "Shares"), or 48.625% of the outstanding common shares of the Company, to the Unsecured Lenders. As of the Closing Date, there were 6,244,298 common shares of the Company issued and outstanding. As of the Closing Date, the then existing holders of the Company's common shares collectively held 171,718 common shares, or 2.75% of the outstanding common shares of the Company.

As of the Closing Date, the outstanding principal amount of the Secured Notes (including the interim financing secured notes in the aggregate principal amount of approximately $14.7 million originally due on July 13, 2025) together with interest accrued and fees thereon were forgiven in part and exchanged for (A) the Secured Lender Shares, (B) the issuance of the 8.0% secured debentures (the "June Secured Debentures") by ICM to the New Secured Lenders (as defined below) in the aggregate principal amount of $99.7 million and (C) the issuance of the 8.0% unsecured debentures (the "June Unsecured Debentures") by ICM to the Secured Lenders in the aggregate principal amount of $5.0 million. Also, as of the Closing Date, the outstanding principal amount of the Unsecured Debentures together with interest accrued and fees thereon were forgiven in part and exchanged for (A) the Unsecured Lender Shares and (B) the June Unsecured Debentures in the aggregate principal amount of $15.0 million. Furthermore, all existing options and warrants to purchase common shares of the Company, including certain debenture warrants and exchange warrants previously issued to the Secured Lenders, the warrants previously issued in connection with the Unsecured Debentures and all other Affected Equity (as defined in the amended and restated plan of arrangement (the "Plan of Arrangement"), were cancelled and extinguished for no consideration.

(d) Going Concern

These unaudited interim condensed consolidated financial statements have been prepared under the assumption that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the three and six months ended June 30, 2026, the Company reported net losses of $14.4 million and $28.7 million, respectively. For the six months ended June 30, 2026, the Company generated operating cash inflow of $1.8 million, had a working capital deficiency of $232.7 million, and an accumulated deficit of $1,404.2 million.

As part of management's plans to drive sustainable growth, the Company has completed the divestment of certain assets (See "Item 2. - Dispositions" covered by this interim report on Form 10-Q for additional information) to optimize its portfolio, strengthen its balance sheet and focus on key markets with the greatest growth potential. The Company plans on redirecting resources obtained from these divestments to its growth initiatives in Florida, Maryland, New Jersey, Massachusetts and New York, while still maintaining a retail presence in Arizona with one dispensary in Mesa, Arizona, as well as reduce its outstanding debt obligations.

The Company believes it may continue to generate positive cash flows from operations in the near future, notwithstanding the foregoing, the substantial losses and working capital deficiency cast substantial doubt on the Company's ability to continue as a going concern for a period of no less than 12 months from the date of this report. These unaudited interim condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

(e) Basis of Consolidation

The unaudited interim condensed consolidated financial statements include the accounts of ICH together with its consolidated subsidiaries, except for subsidiaries which ICH has identified as variable interest entities where ICH is not the primary beneficiary.

(f) Use of Estimates

The preparation of the unaudited interim condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of unaudited interim condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations regarding future events that are believed to be reasonable under the circumstances. Actual results may differ significantly from these estimates.

iANTHUS CAPITAL HOLDINGS, INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Tabular U.S. dollar amounts and shares in thousands, unless otherwise stated)

Significant estimates made by management include, but are not limited to: economic lives of leased assets; inputs used in the valuation of inventory; allowances for potential credit losses, provisions for inventory obsolescence; impairment assessment of long-lived assets; depreciable lives of property, plant and equipment; useful lives of intangible assets; accruals for contingencies including tax contingencies; valuation allowances for deferred income tax assets; estimates for uncertain tax liabilities; estimates of fair value of identifiable assets and liabilities acquired in business combinations; estimates of fair value of derivative instruments; and estimates of the fair value of stock-based payment awards.

(g) Recently Issued FASB Accounting Standard Updates

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income (Topic 220). Public entities must comply with the amendments for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The update enhances disclosure requirements by requiring detailed breakdowns of material expense categories. The Company is determining the effects of adoption on its financial reporting practices.

In July 2025, the FASB issued ASU 2025-05, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets, which provides a practical expedient for estimating expected credit losses on current trade receivables and contract assets under ASC 606. The amendments are effective for annual reporting periods beginning after December 15, 2025. The Company adopted the new standard and noted that it did not have any material impact on the Company's consolidated financial statements.

In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to Accounting for Internal-Use Software, which replaces the existing three-stage model with a single “probable-to-complete” capitalization threshold and incorporates website development into the same guidance. The amendments are effective for annual reporting periods beginning after December 15, 2027, and the Company is evaluating the impact of adoption.

In December 2025, the FASB issued ASU 2025-11, Interim Reporting (Topic 270): Narrow-Scope Improvements. Public entities must adopt the amendments for annual reporting periods beginning after December 15, 2027, and interim periods within those annual periods. The update clarifies interim disclosure requirements and introduces a principle to disclose material events and transactions that have occurred since the end of the prior fiscal year. The Company is evaluating the impact of these improvements on its future interim financial reporting disclosures.

In January 2026, the FASB issued ASU 2025-12, Codification Improvements. The amendments are effective for annual reporting periods beginning after December 15, 2026. The standard addresses technical corrections and clarifications across various topics, including the calculation of diluted earnings per share when an entity reports a loss from continuing operations. The Company is in the process of determining the effects of adoption of this amendment, but expects no significant impact on its consolidated financial statements.

The Company does not believe any other recently issued, but not yet effective, accounting standards will have a material effect on our condensed consolidated financial statements.

(h) Change in Accounting Estimate

Upon adoption of Accounting Standards Codification ("ASC") Topic 330 “Inventory”, the Company elected to follow an accounting policy related to inventory to be valued at the lower of cost, determined on a weighted average cost basis, and net realizable value.

Effective January 1, 2025, the Company will estimate the value of its inventory under standard costing which approximates weighted average cost. It is noted that inventory will continue to be carried at the lesser of cost and net realizable value and that both approaches continue to use full absorption costing to allocate all direct and indirect overhead into the valuation inventory. However, using predetermined standard costs offers consistency and accuracy in inventory valuation and offers better analysis of variances between standard and actual costs. The predetermined costs are reviewed and updated on a periodic basis to determine whether variances reflect part of the normal cost of production, and should therefore be reflected as inventory value, or whether they are a period cost and should thus not be included in inventory.

iANTHUS CAPITAL HOLDINGS, INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Tabular U.S. dollar amounts and shares in thousands, unless otherwise stated)

The Company accounted for this change as a change in accounting estimate in accordance with ASC Topic 250 "Accounting Changes and Error Corrections", and, accordingly, applied it on a prospective basis. This change in estimate did not have any material impact on the Company's unaudited interim condensed consolidated statements of operations for the three and six months ended June 30, 2026 and 2025. The Company expects this change in accounting estimate to remain immaterial in future periods.

Note 2 – Leases

The Company mainly leases office space and cannabis cultivation, processing and retail dispensary space. Leases with an initial term of less than 12 months are not recorded on the unaudited interim condensed consolidated balance sheets. The Company recognizes operating lease right-of-use assets and operating lease liabilities based on the present value of future minimum lease payments over the lease term at commencement date and lease expense for these leases on a straight-line basis over the lease term. Most leases include one or more options to renew, with renewal terms that can extend the lease term from one to five years or more. The Company has determined that it was reasonably certain that the renewal options on the majority of its cannabis cultivation, processing and retail dispensary space would be exercised based on operating history and knowledge, current understanding of future business needs and the level of investment in leasehold improvements, among other considerations. The incremental borrowing rate used in the calculation of the lease liability is based on the rate available to the parent company. The depreciable life of assets and leasehold improvements are limited by the expected lease term. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Certain subsidiaries of the Company rent or sublease certain office space to/from other subsidiaries of the Company. These intercompany subleases are eliminated on consolidation and have lease terms ranging from less than one year to 15 years.

Maturities of lease liabilities for operating leases as of June 30, 2026, were as follows:

		Operating Leases
2027	$	7,269
2028		7,193
2029		7,155
2030		6,797
2031		5,779
Thereafter		47,843
Total lease payments	$	82,036
Less: interest expense		(46,517)
Present value of lease liabilities	$	35,519
Weighted-average remaining lease term (years)		11.4
Weighted-average discount rate		17%

For the three and six months ended June 30, 2026, the Company recorded operating lease expenses of $1.9 million and $3.8 million, respectively (June 30, 2025 – $1.9 million and $3.8 million, respectively), which are included in costs and expenses applicable to revenues and selling, general and administrative expenses on the unaudited interim condensed consolidated statements of operations.

The Company has entered into multiple sublease agreements pursuant to which it serves as lessor to the sublessees. The gross rental income and underlying lease expense are presented gross on the Company's unaudited interim condensed consolidated statements of operations. For the three and six months ended June 30, 2026, the Company recorded sublease income of $0.2 million and $0.4 million, respectively (June 30, 2025 – $0.2 million and $0.5 million, respectively), which is included in interest and other income on the unaudited interim condensed consolidated statements of operations.

Operating cash flows from operating leases for the three and six months ended June 30, 2026 were $1.8 million and $3.7 million, respectively (June 30, 2025 - $1.8 million and $3.4 million, respectively).

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Supplemental balance sheet information related to leases are as follows:

Balance Sheet Information	Classification	June 30, 2026	December 31, 2025
Operating lease right-of-use assets, net	Operating leases	$ 30,907	$ 29,436
Lease liabilities			
Current portion of operating lease liabilities	Operating leases	$ 7,269	$ 7,195
Long-term portion of operating lease liabilities	Operating leases	28,250	26,778
Total		**$ 35,519**	**$ 33,973**

Note 3 - Inventories, net

Inventories are comprised of the following items:

	June 30, 2026	December 31, 2025
Supplies	$ 6,334	$ 6,249
Raw materials	4,311	3,419
Work in process	5,424	5,515
Finished goods	10,305	7,198
Inventory reserve	(225)	(129)
Total	**$ 26,149**	**$ 22,252**

Inventories are written down for any obsolescence or when the net realizable value considering future events and conditions is less than the carrying value. For the three and six months ended June 30, 2026 and 2025, the Company recorded no spoiled inventory as costs and expenses applicable to revenues on the unaudited interim condensed consolidated statements of operations.

Note 4 - Acquisitions

Cheetah Acquisition

On December 30, 2024, the Company acquired substantially all the assets related to the Cheetah Seller's wholesale business, including the manufacture, marketing, and sale of cannabis distillate vaporizer products in the states of Illinois and Pennsylvania under the "Cheetah" brand (the "Brand"), but excluding certain excluded assets (the "Cheetah Purchased Assets") together with certain assumed liabilities related to the Cheetah Purchased Assets (the "Cheetah Acquisition"). The purchase price (the "Purchase Price") for the Cheetah Purchased Assets was approximately $3.5 million, and included (i) common shares at an aggregate deemed value of approximately $1.5 million, which the Company recorded at a fair value on acquisition of $1.2 million, to be issued in three (3) tranches; (ii) upon the completion of certain performance benchmarks (if the Brand does not meet the performance benchmark by the payment date, such payment date will be delayed until the later of (x) thirty (30) days or (y) until such time the Brand achieves the applicable performance benchmark; provided, the full cash consideration shall not be delayed more than twenty-four (24) months after closing); and (iii) additional consideration based on EBITDA generated by the Brand (the "Earn-Out") over the next three years which is payable annually in cash, with the final payment due on or before April 1, 2028.

On December 17, 2025, the Company entered into an amendment to the Cheetah Purchase Agreement with the Cheetah Seller, pursuant to which: (i) the payment schedule for the 2025 fiscal year Earn-Out (the "2025 Earn-Out") was amended and deferred as follows: (x) 20% of the 2025 Earn-Out was paid on April 15, 2026, (y) 40% of the 2025 Earn-Out is payable on October 15, 2026, and (z) 40% of the 2025 Earn-Out is payable on December 15, 2026 (collectively, the "Deferred Earn-Out Payments"); (ii) the Company agreed to pay the Cheetah Seller interest on the Deferred Earn-Out Payments at a rate of 6% per annum, which interest was paid in advance on April 15, 2026; and (iii) the Company agreed to pay additional consideration based on EBITDA generated by the Brand during the first quarter of 2028, which will be payable on June 15, 2028.

The Company has determined that the Cheetah Acquisition is a business combination under ASC 805 whereby the total consideration is recorded by allocating the purchase consideration to the net assets and liabilities acquired based on their estimated fair values at the acquisition date.

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The following table summarizes the final allocation of the purchase consideration to the assets acquired and liabilities assumed from the Cheetah Acquisition as of December 31, 2025:

Consideration:		
Cash consideration - paid	$	2,000
Common stock - issued		1,167
Additional earn-out consideration		3,127
Fair value of consideration	**$**	**6,294**
Estimated fair values of net assets acquired and liabilities assumed:		
Cash	$	45
Receivables and prepaid assets		340
Inventory		6
Operating lease right-of-use assets, net		42
Accounts payable		(301)
Accrued and other current liabilities		(86)
Intangible assets		4,690
Net assets acquired	**$**	**4,736**
Goodwill	$	1,558

The following table summarizes the final adjustments made to the provisional purchase price allocation:

	Preliminary allocation at acquisition	Adjustments	As adjusted
Cash consideration - paid	$ 675	$ 1,325	$ 2,000
Cash consideration - accrued	1,325	(1,325)	—
Common stock - issued	—	1,167	1,167
Common stock - issuable	1,167	(1,167)	—
Inventory	106	(100)	6
Intangible assets	—	4,690	4,690
Goodwill	6,148	(4,590)	1,558

The intangible assets recognized from the Cheetah Acquisition relate to trade names and other intellectual property and recipes used under the Brand. The goodwill recognized from the Cheetah Acquisition is attributable to the assembled workforce and synergies expected from integrating the Brand into the Company's existing business. The goodwill acquired is not deductible for tax purposes.

Total purchase consideration transferred on the Acquisition Date also included additional Earn-Out that had a fair value of $3.1 million as of the Acquisition Date. The Acquisition Date fair value of the Earn-Out was determined based on the Company's assessment of the probability of achieving the performance targets that ultimately obligate the Company to transfer additional consideration to the Cheetah Seller. The Earn-Out is comprised of certain EBITDA targets to be achieved by the Brand and is paid annually in cash. Subsequent remeasurement of the Earn-Out will be remeasured at the end of each reporting period with any gains or losses recognized in interest and other income and expenses within the consolidated statement of operations. Refer to Note 9 for further discussion on contingent consideration.

Acquisition-related costs are recorded within selling, general and administrative expenses on the unaudited interim condensed consolidated statement of operations. The Company recorded no acquisition-related costs during the six months ended June 30, 2026 and 2025.

Pro forma financial information is not disclosed as the results are not material to the Company's consolidated financial statements.

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Note 5 - Long-Term Debt

The following table summarizes long term debt outstanding as of June 30, 2026:

	Secured Notes	June Secured Debentures	Additional Secured Debentures	June Unsecured Debentures	Total
As of January 1, 2026	**$ 8,359**	**$ 127,597**	**$ 33,175**	**$ 24,855**	**$ 193,986**
Paid-in-kind interest	—	5,377	1,348	1,078	7,803
Modification of Carrying value	(168)	—	—	—	(168)
Accretion of balance	121	1,568	—	548	2,237
Debt repayment	(311)	—	—	—	(311)
As of June 30, 2026	**$ 8,001**	**$ 134,542**	**$ 34,523**	**$ 26,481**	**$ 203,547**

As of June 30, 2026, the total and unamortized debt discount costs were $22.0 million and $4.5 million, respectively (December 31, 2025— $21.9 million and $6.5 million, respectively).

As of June 30, 2026, total interest paid on long-term debt was $0.5 million (December 31, 2025 - $1.5 million).

(a) iAnthus New Jersey, LLC Senior Secured Bridge Notes

On February 2, 2021, iAnthus New Jersey, LLC ("INJ") issued an aggregate of $11.0 million of senior secured bridge notes ("Senior Secured Bridge Notes") which initially matured on the earlier of (i) February 2, 2023, (ii) the date on which the Company closes a Qualified Financing (as defined below) and (iii) such earlier date that the principal amount may become due and payable pursuant to the terms of such notes. The Senior Secured Bridge Notes initially accrued interest at a rate of 14.0% per annum, decreasing to 8.0% upon the closing of the Recapitalization Transaction (increasing to 25.0% per annum in the event of default). “Qualified Financing” means a transaction or series of related transactions resulting in net proceeds to the ICH of not less than $10 million from the subscription of the ICH's securities, including, but not limited to, a private placement or rights offering.

On February 2, 2023, ICH and INJ entered into an amendment (the “Amendment”) to the Senior Secured Bridge Notes with all of the holders of the Senior Secured Bridge Notes. Pursuant to the Amendment, the maturity date of the Senior Secured Bridge Notes was extended until February 2, 2024, the interest on the principal amount outstanding was increased to a rate of 12.0% per annum, and an amendment fee equal to 10.0% of the principal amount outstanding of the Senior Secured Bridge Notes as of February 2, 2023 or $1.4 million in the aggregate, was added to such notes such that it will become due and payable on the extended maturity date.

On February 2, 2024, in order to facilitate the 2024 NJ Amendment (as defined below), the parties agreed to a short-term extension of the maturity date from February 2, 2024 to February 16, 2024. On February 16, 2024, ICH and INJ entered into another amendment (the "2024 NJ Amendment") to the Senior Secured Bridge Notes. Pursuant to the 2024 NJ Amendment, the maturity date of the Senior Secured Bridge Notes was extended from February 16, 2024 to February 16, 2026 and the interest rate of the Senior Secured Bridge Notes remained at 12% per annum, but the interest accruing after February 16, 2024 will be payable in quarterly cash payments (the first interest payment being on May 16, 2024). In addition, the 2024 NJ Amendment provides for an amendment fee equal to 10% of the principal amount of the Senior Secured Bridge Notes as of the date of the 2024 NJ Amendment, or $1.6 million in the aggregate, which is satisfied through the issuance of ICH's common shares at a price per share equal to the volume-weighted average trading price of ICH's common shares on the CSE for the twenty (20) consecutive trading days immediately prior to the date of the 2024 NJ Amendment. Lastly, ICH and INJ agreed to utilize twenty-five percent (25%) of Non-Operational Receipts in excess of $5.0 million to make payments towards the principal amount outstanding under the Senior Secured Bridge Notes, without penalty. For purposes of the 2024 NJ Amendment, "Non-Operational Cash Receipts" means cash ICH received which is not derived from the sale of cannabis products in the ordinary course of business of ICH, whether through retail, wholesale or otherwise. As of June 30, 2026, a total amount of $0.3 million (December 31, 2025 - $7.4 million) has been paid from Non-Operational Receipts.

On February 16, 2026, the Company entered into amending agreements (the "2026 Bridge Notes Amendment") to the senior secured bridge notes (the “Senior Secured Bridge Notes”) originally issued by INJ on February 2, 2021, with the collateral agent and certain holders of the Senior Secured Bridge Notes in the aggregate initial principal amount of $11.0 million and having a maturity date of February 16, 2026. Pursuant to the 2026 Bridge Notes Amendment, the maturity date of the Bridge Notes has been extended from February 16, 2026, to June 24, 2027 in consideration of an amendment fee equal to two percent (2%) of the principal amount of such Senior Secured Bridge Notes as of the date of the 2026 Bridge Notes Amendment, payable on the amended maturity date. As of February 16, 2026, the aggregate principal amount outstanding on the Bridge Notes is approximately $8.4 million.

In accordance with debt extinguishment accounting guidance outlined in ASC 470, the Company evaluated the amendment to the Senior Secured Bridge Notes effected by the 2026 Bridge Notes Amendment and concluded that the terms were not materially modified. Accordingly, the amendment was accounted for as a debt modification. As a result, the amendment fee was recorded as a debt discount, resulting in a $0.2 million reduction to the carrying amount of the New Jersey Senior Secured Note and is being amortized over the remaining term of the note.

The amended host debt, classified as a liability using the guidance of ASC 470, was recognized at the carrying value of $8.2 million.

For the three and six months ended June 30, 2026, interest expense of $0.2 million and $0.5 million, respectively (June 30, 2025 - $0.4 million and $0.8 million, respectively), and accretion expense of less than $0.1 million and $0.1 million, respectively (June 30, 2025 - $0.2 million and $0.4 million, respectively), were recorded on the unaudited interim condensed consolidated statements of operations.

The Senior Secured Bridge Notes are secured by a security interest in certain assets of INJ. ICH provided a guarantee in respect of all of the obligations of INJ under the Senior Secured Bridge Notes, and the Company is in compliance with the terms of the Senior Secured Bridge Notes as of June 30, 2026. The Senior Secured Bridge Notes mature on June 24, 2027 and are classified as current portion of long-term debt, net of issuance costs on the unaudited interim condensed consolidated balance sheets.

Certain of the Secured Lenders, including Gotham Green Fund II, L.P., Gotham Green Fund II (Q), L.P., Oasis Investments II Master Fund LTD., Senvest Global (KY), LP, Senvest Master Fund, LP and Hadron Healthcare and Consumer Special Opportunities Master Fund, held greater than 5.0% of the outstanding common shares of the Company upon closing of the Recapitalization Transaction. As principal owners of the Company, these lenders are considered to be related parties.

(b) June Secured Debentures

On June 24, 2022 in connection with the closing of the Recapitalization Transaction, the Company entered into the Secured Debenture Purchase Agreement (the "Secured DPA"), between ICM, the other Credit Parties (as defined in the Secured DPA), the Collateral Agent, and the lenders party thereto (the “New Secured Lenders”) pursuant to which ICM issued the June Secured Debentures in the aggregate principal amount of $99.7 million which accrue interest at the rate of 8.0% per annum increasing to 11.0% per annum upon the occurrence of an Event of Default (as defined in the Secured DPA), with a maturity date of June 24, 2027. The June Secured Debentures may be prepaid on a pro rata basis from and after the third anniversary of the Closing Date of the Recapitalization Transaction upon prior written notice to the New Secured Lenders without premium or penalty.

The host debt, classified as a liability using the guidance of ASC 470, was recognized at the carrying value of $84.5 million.

Interest is to be paid in kind by adding the interest accrued on the principal amount on the last day of each fiscal quarter (the first such interest payment date being June 30, 2022) and such amount thereafter becoming part of the principal amount, which will accrue additional interest. Interest paid in kind will be payable on the date when all of the principal amount is due and payable.

For the three and six months ended June 30, 2026, interest expense of $2.7 million and $5.4 million, respectively (June 30, 2025 - $2.6 million and $5.0 million, respectively), and accretion expense of $0.8 million and $1.6 million, respectively (June 30, 2025 - $0.7 million and $1.5 million, respectively), were recorded on the unaudited interim condensed consolidated statements of operations.

The terms of the Secured DPA impose certain restrictions on the Company’s operating and financing activities, including certain restrictions on the Company’s ability to: incur certain additional indebtedness; grant liens; make certain dividends and other payment restrictions affecting the Company’s subsidiaries; issue shares or convertible securities; and sell certain assets. The June Secured Debentures are secured by all current and future assets of the Company and ICM. The terms of the Secured DPAs do not have any financial covenants or market value test and ICM is in compliance with the terms of the June Secured Debentures as of June 30, 2026. The June Secured Debentures mature on June 24, 2027 and are classified as current portion of long-term debt, net of issuance costs on the unaudited interim condensed consolidated balance sheets.

Certain of the New Secured Lenders that hold the June Secured Debentures, including Gotham Green Fund 1, L.P., Gotham Green Fund 1 (Q), L.P., Gotham Green Fund II, L.P., Gotham Green Fund II (Q), Gotham Green Credit Partners SPV 1, L.P., Gotham Green Partners SPV V, L.P., L.P., and Parallax Master Fund, LP, held greater than 5.0% of the outstanding common shares of the Company upon the closing of the Recapitalization Transaction. As principal owners of the Company, certain of the New Secured Lenders are considered to be related parties.

(c) June Unsecured Debentures

On June 24, 2022 in connection with the closing of the Recapitalization Transaction, the Company entered into the Unsecured Debenture Purchase Agreement (the "Unsecured DPA"), pursuant to which ICM issued June Unsecured Debentures in the aggregate principal amount of $20.0 million which accrue interest at the rate of 8.0% per annum increasing to 11.0% per annum upon the occurrence of an Event of Default (as defined in the Unsecured DPA), with a maturity date of June 24, 2027. The June Unsecured Debentures may be prepaid on a pro rata basis from and after the third anniversary of the Closing Date of the Recapitalization Transaction upon prior written notice to the Unsecured Lender without premium or penalty.

The host debt, classified as a liability using the guidance of ASC 470, was recognized at the carrying value of $14.9 million.

Interest is to be paid in kind by adding the interest accrued on the principal amount on the last day of each fiscal quarter (the first such interest payment date being June 30, 2022) and such amount thereafter becoming part of the principal amount, which will accrue additional interest. Interest paid in kind will be payable on the date when all of the principal amount is due and payable.

For the three and six months ended June 30, 2026, interest expense of $0.5 million and $1.1 million, respectively (June 30, 2025 - $0.5 million and $1.0 million, respectively), and accretion expense of $0.3 million and $0.5 million, respectively (June 30, 2025 - $0.2 million and $0.5 million, respectively), were recorded on the unaudited interim condensed consolidated statements of operations.

The terms of the Unsecured DPA impose certain restrictions on the Company’s operating and financing activities, including certain restrictions on the Company’s ability to: incur certain additional indebtedness; grant liens; make certain dividends and other payment restrictions affecting the Company’s subsidiaries; issue shares or convertible securities; and sell certain assets. The terms of the Unsecured DPA do not have any financial covenants or market value test, and ICM is in compliance with the terms of the June Unsecured Debentures as of June 30, 2026. The June Unsecured Debentures mature on June 24, 2027 and are classified as current portion of long-term debt, net of issuance costs on the unaudited interim condensed consolidated balance sheets.

Certain of the Secured Lenders and Consenting Unsecured Lenders, including Gotham Green Fund 1, L.P., Gotham Green Fund 1 (Q), L.P., Gotham Green Fund II, L.P., Gotham Green Fund II (Q), L.P., Gotham Green Credit Partners SPV 1, L.P., Gotham Green Partners SPV V, L.P., Oasis Investments II Master Fund LTD., Senvest Global (KY), LP, Senvest Master Fund, LP, Parallax Master Fund, L.P. and Hadron Healthcare and Consumer Special Opportunities Master Fund, held greater than 5.0% of the outstanding common shares of the Company upon the closing of the Recapitalization Transaction. As principal owners of the Company, certain of the Consenting Unsecured Lenders are considered to be related parties.

(d) Additional Secured Debentures

Pursuant to the terms of the Secured DPA, ICM issued an additional $25.0 million of June Secured Debentures (the "Additional Secured Debentures") on June 24, 2022 which accrue interest at the rate of 8.0% per annum increasing to 11.0% per annum upon the occurrence of an Event of Default (as defined in the Secured DPA), with a maturity date of June 24, 2027.

The host debt, classified as a liability using the guidance of ASC 470, was recognized at the carrying value of $25.0 million.

Interest is to be paid in kind by adding the interest accrued on the principal amount on the last day of each fiscal quarter (the first such interest payment date being June 30, 2022) and such amount thereafter becoming part of the principal amount, which will accrue additional interest. Interest paid in kind will be payable on the date when all of the principal amount is due and payable.

For the three and six months ended June 30, 2026, interest expense of $0.6 million and $1.3 million, respectively (June 30, 2025 — $0.6 million and $1.2 million, respectively), was recorded on the unaudited interim condensed consolidated statements of operations.

The terms of the Secured DPA impose certain restrictions on the Company’s operating and financing activities, including certain restrictions on the Company’s ability to: incur certain additional indebtedness; grant liens; make certain dividends and other payment restrictions affecting the Company’s subsidiaries; issue shares or convertible securities; and sell certain assets. The Additional Secured Debentures are secured by all current and future assets of the Company and ICM. The terms of the Secured DPAs do not have any financial covenants or market value test, and ICM is in compliance with the terms of the Additional Secured Debentures as of June 30,

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2026. The Additional Secured Debentures mature on June 24, 2027 and are classified as current portion of long-term debt, net of issuance costs on the unaudited interim condensed consolidated balance sheets.

Certain of the New Secured Lenders that hold Additional Secured Debentures, including Gotham Green Fund 1, L.P., Gotham Green Fund 1 (Q), L.P., Gotham Green Fund II, L.P., Gotham Green Fund II (Q), L.P., Oasis Investments II Master Fund LTD., Senvest Global (KY), LP, Senvest Master Fund, LP and Hadron Healthcare and Consumer Special Opportunities Master Fund, held greater than 5.0% of the outstanding common shares of the Company upon the closing of the Recapitalization Transaction. As principal owners of the Company, certain of the New Secured Lenders are considered to be related parties.

Note 6 - Share Capital

(a)Share Capital

Authorized: Unlimited common shares. The shares have no par value.

The Company’s common shares are voting and dividend-paying. The following is a summary of the common share issuances for the six months ended June 30, 2026:

- •On January 6, 2026, the Company issued 114,334 common shares for vested restricted stock units (“RSUs”). The Company withheld 910 common shares to satisfy employees’ tax obligations of less than $0.1 million.

The following is a summary of the common share issuances for the six months ended June 30, 2025:

- •On January 9, 2025, the Company issued common shares totaling 41,667 with respect to the Cheetah Acquisition (Refer to Note 4).
- •On January 14, 2025, the Company issued 26,661 common shares for vested RSUs. The Company withheld 1,029 common shares to satisfy employees’ tax obligations of less than $0.1 million.
- •On April 1, 2025, the Company issued 213 common shares for vested RSUs. The Company withheld 67 common shares to satisfy employees’ tax obligations of less than $0.1 million.
- •On April 23, 2025, the Company withheld 9,910 common shares for RSUs to satisfy employees' tax obligations of $0.1 million.

(b)Potentially Dilutive Securities

The following table summarizes potentially dilutive securities, and the resulting common share equivalents outstanding as of June 30, 2026 and December 31, 2025:

	June 30, 2026	December 31, 2025
Common share options	7,877	7,877
Restricted stock units	345,872	381,258
Total	**353,749**	**389,135**

(c)Equity Incentive Plans

On December 31, 2021, the Board approved the Company’s Amended and Restated Omnibus Incentive Plan (the “Omnibus Incentive Plan”) dated October 15, 2018, whereas, the Company may award stock options or RSUs (the "Awards") to board members, officers, employees or consultants of the Company. The Omnibus Incentive Plan authorizes the issuance of up to 20% of the number of outstanding shares of common stock of the Company.

Awards generally vest over a three-year period and the estimated fair value of the Awards at issuance is recognized as compensation expense over the related vesting period.

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Stock Options

The Company's stock options are currently held by two former officers of the Company which have fully vested on July 10, 2023. Share-based compensation expense is presented within selling, general and administrative expenses on the unaudited interim condensed consolidated statements of operations. The Company recorded no share-based compensation expense related to stock options for the six months ended June 30, 2026 and 2025.

The following table summarizes certain information in respect of option activity during the period:

	Six Months Ended June 30, 2026			Year Ended December 31, 2025		
	Units	Weighted Average Exercise Price	Weighted Average Contractual Life	Units	Weighted Average Exercise Price	Weighted Average Contractual Life
Options outstanding, beginning	7,877	$ 0.05	4.53	7,877	$ 0.05	5.53
Granted	—	—	—	—	—	—
Cancellations	—	—	—	—	—	—
Forfeitures	—	—	—	—	—	—
Expirations	—	—	—	—	—	—
Options outstanding, ending [(1)]	**7,877**	**$ 0.05**	**4.03**	**7,877**	**$ 0.05**	**4.53**

[(1)] As of June 30, 2026, 7,877 of the stock options outstanding were exercisable (December 31, 2025 - 7,877).

The Company used the Black-Scholes option pricing model to estimate the fair value of the options at the grant date using the following assumptions:

- The expected volatility was estimated by using the historical volatility of the Company.
- The expected life in years represents the period of time that options granted are expected to be outstanding. In accordance with SAB Topic 14, the Company uses the simplified method for estimating the expected term. The Company believes the use of the simplified method is appropriate due to the employee stock options qualifying as “plain-vanilla” options under the criteria established by SAB Topic 14.
- The risk-free rate was based on the United States bond yield rate at the time of grant of the award.
- Expected annual rate of dividends is based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

There was no stock option activity for the three and six months ended June 30, 2026 and the year ended December 31, 2025.

Restricted Stock Units

On December 31, 2021, the Board approved a long-term incentive program, pursuant to which, on July 26, 2022, the Company issued certain employees of the Company and its subsidiaries, RSUs, under the Omnibus Incentive Plan. RSUs represent a right to receive a single common share that is both non-transferable and forfeitable until certain conditions are satisfied.

On December 31, 2021 and June 23, 2022, the Board approved the allocation of 363,921 and 26,881 RSUs, respectively, to Board members, directors, officers, and key employees of the Company. The RSUs granted by the Company vest upon the satisfaction of both a service-based condition of three years and a liquidity condition, the latter of which was not satisfied until the closing of the Recapitalization Transaction. As the liquidity condition was not satisfied until the closing of the Recapitalization Transaction, in prior periods, the Company had not recorded any expense related to the grant of RSUs. Share-based compensation expense in relation to the RSUs is recognized using the graded vesting method, in which compensation costs for each vesting tranche is recognized ratably from the service inception date to the vesting date for that tranche. The fair value of the RSUs is determined using the Company’s closing stock price on the grant date.

Certain RSU recipients were also holders of the Original Awards, which were cancelled upon closing the Recapitalization Transaction. The RSUs granted to these employees have been treated as replacement awards (the “Replacement RSUs”) and are accounted for as a modification to the Original Awards. As the fair value of the Original Awards was $Nil on the modification dates,

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the incremental compensation cost recognized is equal to the fair value of the Replacement RSUs on the modification date, which shall be recognized over the remaining requisite service period.

The most recent issuances were on April 25, 2025, where 5,672 RSUs were issued to four officers, September 29, 2025, where 250 RSUs were issued to an employee, December 1, 2025, where 149,332 RSUs were issued to six officers, and on May 15, 2026, where 78,948 RSUs were issued to an officer. The RSUs vest over a period of one to three years. The fair value of RSUs is determined on the grant date and is amortized over the vesting period on a straight-line basis.

During the three and six months ended June 30, 2026, the Company recognized $0.5 million and $1.0 million, respectively, of share-based compensation expense associated with the RSUs (June 30, 2025—$0.6 million and $1.1 million, respectively). Share-based compensation expense is presented in selling, general and administrative expenses on the unaudited interim condensed consolidated statements of operations.

As of June 30, 2026, there was approximately $1.0 million of total unrecognized compensation cost related to unvested RSUs which is expected to be recognized over a weighted-average service period of 1.29 years.

The following table summarizes certain information in respect of RSU activity during the period:

	Six Months Ended June 30, 2026		Year Ended December 31, 2025	
	Units	Weighted Average Grant Price	Units	Weighted Average Grant Price
Unvested balance, beginning	266,924	$ 0.01	298,877	$ 0.01
Granted	78,948	—	155,254	0.00
Vested	(4,717)	0.01	(186,757)	0.01
Forfeited	—	—	(450)	0.01
Unvested balance, ending	**341,155**	**$ 0.01**	**266,924**	**$ 0.01**

Note 7 - Income Taxes

The following table summarizes the Company’s income tax expense and effective tax rates for the three and six months ended June 30, 2026 and 2025:

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Income (loss) before income taxes	$ (7,391)	$ (14,587)	$ (14,705)	$ (5,428)
Income tax expense	7,033	4,131	14,028	8,140
Effective tax rate	-95.2%	-28.3%	-95.4%	-150.0%

The Company's effective tax rate differs from the federal statutory rate of 21.0% primarily due to its reserve for uncertain tax positions based on the legal interpretations of IRC Section 280E, and penalties and interest accruing on outstanding tax liabilities.

The Company recognizes the effect of income tax positions only when it is more likely than not of being sustainable. The taxes are recorded in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. It is reasonable that the existing liabilities for the unrecognized tax benefits may increase or decrease over the next 12 months as a result of assessments, examinations and statute expirations; however, the ultimate timing of the resolution of these items is highly uncertain.

As of June 30, 2026, the Company has $76.7 million of reserves for unrecognized tax positions included as part of long-term liabilities, that, if recognized, would impact the effective tax rate. The reserves were established primarily due to the legal interpretations that challenge the Company's tax liability under IRC Section 280E. The Company has applied the legal interpretation of IRC Section 280E to certain amended returns filed during this fiscal year for the tax years ending December 31, 2020, 2021 and 2022, as well as to future tax filings. The Company had unrecognized tax benefits of $12.2 million for the six months ended June 30, 2026 (June 30, 2025 - $5.9 million). The Company records interest and penalties related to unrecognized tax benefits within the provision for income taxes.

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The Internal Revenue Service filed Notices of Federal Tax Liens against certain subsidiaries of the Company in the aggregate amount of approximately $14.6 million and $25.0 million for the years ended December 31, 2020 and 2021, respectively. The Company is actively working to resolve these matters with the Internal Revenue Service.

Note 8 - Segment Information

At the beginning of the fiscal year 2026, the Company reassessed its reportable segments in accordance with ASC 280, Segment Reporting. Previously, the Company reported its operations under two reportable segments based on geographic regions: Eastern and Western. The Eastern Region included the Company’s operations in Florida, Maryland, Massachusetts, New York, New Jersey, Illinois, and Pennsylvania. The Western Region includes the Company’s operations in Arizona and results from the Nevada business through June 24, 2024 when it was sold and subsequently deconsolidated. Following a review of the Company's operating performance, growth profile, and capital allocation strategy, management determined that the quantitative thresholds under ASC 280-10-50-12 were no longer met under the prior segmentation, and that disaggregating operations based on market maturity and growth profile better reflects how the Chief Operating Decision Maker ("CODM") evaluates performance and allocates resources.

Effective January 1, 2026, the Company changed its reportable segments to Established and Emerging, defined as follows:

The Established region reflects matured markets with limited growth opportunities and a lower allocation of capital investment in the short-term. This region includes operations in Arizona, Massachusetts, and Florida. The Emerging region reflects new markets with strong growth opportunities and/or those receiving higher capital investments. This region includes operations in New Jersey, Maryland, New York, Illinois, and Pennsylvania. While the change in presentation reflects a reclassification of operating units into new segments, there were no changes to the underlying measurement or allocation of revenues, expenses, or assets. Prior periods are now conformed to the current period presentation. While the CODM continues to review the operating performance (i.e. EBITDA) at a state-level, the revised reportable regions better segments how capital allocation and growth opportunities are identified and monitored.

The "Other" category in the disclosure below comprises items not separately identifiable to the two reportable operating segments and are not part of the measures used by the Company when assessing the reportable operating segments’ results. It also includes items related to operating segments of the Company that did not meet the quantitative thresholds under ASC 280-10-50-12 to be considered reportable operating segments, nor did they meet the aggregation criteria under ASC 280-10-50-11 to qualify for aggregation with one of the two reportable operating segments of the Company. All inter-segment profits are eliminated upon consolidation.

The below table presents results by segment for the three and six months ended June 30, 2026 and 2025:

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Reportable Segments

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Revenues, net of discounts				
Established Region	$ 17,398	$ 17,482	$ 32,386	$ 38,092
Emerging Region	17,951	17,703	36,473	35,214
Total	**$ 35,349**	**$ 35,185**	**$ 68,859**	**$ 73,306**
Gross profit				
Established Region	$ 8,412	$ 8,568	$ 15,921	$ 19,885
Emerging Region	7,686	7,584	16,098	15,145
Total	**$ 16,098**	**$ 16,152**	**$ 32,019**	**$ 35,030**
Operating expenses:				
Selling, general and administrative expenses				
Established Region	$ 5,852	$ 6,705	$ 11,748	$ 13,890
Emerging Region	4,221	4,164	8,354	8,631
Other	3,488	4,943	7,779	10,109
Total	**$ 13,561**	**$ 15,812**	**$ 27,881**	**$ 32,630**
Depreciation and amortization				
Established Region	$ 2,464	$ 2,648	$ 4,981	$ 5,412
Emerging Region	1,579	1,313	3,059	2,655
Other	113	119	225	232
Total	**$ 4,156**	**$ 4,080**	**$ 8,265**	**$ 8,299**
Write-downs, (recoveries) and other charges, net				
Established Region	$ 680	$ 1,413	$ 731	$ 1,354
Emerging Region	(20)	216	(288)	127
Other	—	1	—	—
Total	**$ 660**	**$ 1,630**	**$ 443**	**$ 1,481**
Income (loss) from operations				
Established Region	$ (584)	$ (2,198)	$ (1,539)	$ (771)
Emerging Region	1,906	1,891	4,973	3,732
Other	(3,601)	(5,063)	(8,004)	(10,341)
Total	**$ (2,279)**	**$ (5,370)**	**$ (4,570)**	**$ (7,380)**
Other income (expenses), net				
Established Region	$ (120)	$ 568	$ (2)	$ 32,001
Emerging Region	(271)	(63)	(702)	1,172
Other	(5,230)	(9,722)	(9,940)	(31,221)
Total	**$ (5,620)**	**$ (9,217)**	**$ (10,644)**	**$ 1,952**
Income tax expense				
Established Region	$ 3,027	$ 1,326	$ 5,083	$ 2,745
Emerging Region	433	226	771	609
Other	3,573	2,579	8,174	4,786
Total	**$ 7,033**	**$ 4,131**	**$ 14,028**	**$ 8,140**
Net income (loss)				
Established Region	$ (3,884)	$ (2,956)	$ (6,776)	$ 28,487
Emerging Region	1,500	1,602	3,797	4,295
Other	(12,040)	(17,364)	(25,754)	(46,350)
Total	**$ (14,424)**	**$ (18,718)**	**$ (28,733)**	**$ (13,568)**

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Supplemental segment disclosures:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Purchase of property, plant and equipment				
Established Region	$ 594	$ 2,446	$ 1,977	$ 3,740
Emerging Region	7,961	1,160	9,966	4,391
Other	4	6	8	257
Total	**$ 8,559**	**$ 3,612**	**$ 11,951**	**$ 8,388**
Purchase of other intangible assets				
Established Region	$ 4	$ —	$ 8	$ —
Other	70	(52)	113	73
Total	**$ 74**	**$ (52)**	**$ 121**	**$ 73**

	As of June 30, 2026	As of December 31, 2025
Assets		
Established Region	$ 156,561	$ 160,437
Emerging Region	90,778	77,950
Other	11,086	17,599
Total	**$ 258,425**	**$ 255,986**

Major Customers

Major customers are defined as customers that each individually account for greater than 10.0% of the Company's annual revenues. For the three and six months ended June 30, 2026 and 2025, no sales were made to any one customer that represented in excess of 10.0% of the Company's total revenues.

Geographic Information

As of June 30, 2026 and 2025, substantially all of the Company's assets were located in the United States and all of the Company's revenues were earned in the United States.

Disaggregated Revenues

The Company disaggregates revenues into categories that depict how the nature, amount, timing and uncertainty of the revenues and cash flows are affected by economic factors. For the three and six months ended June 30, 2026 and 2025, the Company disaggregated its revenues as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues, net of discounts				
iAnthus branded products	$ 15,569	$ 16,447	$ 28,848	$ 33,961
Third party branded products	11,594	12,230	23,848	28,021
Wholesale/bulk/other products	8,186	6,508	16,163	11,324
Total	**$ 35,349**	**$ 35,185**	**$ 68,859**	**$ 73,306**

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Note 9 — Financial Instruments

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. The Company characterizes inputs used in determining fair value using a hierarchy that prioritizes inputs depending on the degree to which they are observable. The levels of the fair value hierarchy are as follows:

•Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

•Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

•Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of cash, receivables, payables and accrued liabilities approximate their fair values because of the short-term nature of these financial instruments. Balances due to and due from related parties have no terms and are payable on demand, thus are also considered current and short-term in nature, hence carrying value approximates fair value.

The component of the Company's long-term debt attributed to the host liability is recorded at amortized cost. Investments in debt instruments that are held to maturity are also recorded at amortized cost.

The following table summarizes the fair value hierarchy for the Company's financial assets and financial liabilities that are re-measured at their fair values periodically:

	As of June 30, 2026				As of December 31, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Long term investments	$ —	$ —	$ 942	**$ 942**	**$** 2	**$** —	$ 840	**$ 842**
Financial liabilities								
Contingent consideration payable	$ —	$ —	$ 3,354	**$ 3,354**	**$** —	**$** —	$ 3,407	**$ 3,407**

There were no transfers or change in valuation method between Level 1, Level 2, and Level 3 within the fair value hierarchy during the three and six months ended June 30, 2026 and 2025.

Financial Assets

Level 1 investments are comprised of the Company's investment in 4 Front Venture Corp., which is considered to be a Level 1 instrument because it is comprised of shares of a public company, and there is an active market for the shares and observable market data, or inputs are now available.

Level 3 investments are comprised of two investments made by the Company in which it holds an equity interest. These two investments are in The Pharm Stand, LLC and Island Thyme, LLC. The Company exercises significant influence for one of these investments and therefore records this investment under the equity method. The investment was initially recognized at cost and the Company recognizes its proportionate share of earnings and losses from the investment each reporting period.

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The following table summarizes the changes in Level 1 and Level 3 financial assets:

	4Front Venture Corp.	Financial Assets The Pharm Stand, LLC	Island Thyme, LLC
Balance as of December 31, 2025	**$ 2**	**$ 125**	**$ 715**
Additions	—	—	—
Revaluations	(2)	—	—
Gain on equity method investments	—	—	102
Balance as of June 30, 2026	**$ —**	**$ 125**	**$ 817**

The Company’s financial and non-financial assets such as prepayments, other assets including equity accounted investments, property, plant and equipment, and intangibles, are measured at fair value when there is an indicator of impairment and are recorded at fair value only when an impairment charge is recognized.

Financial Liabilities

The following table summarizes the changes in the Company's Level 3 financial liabilities:

	Financial Liabilities Contingent Consideration Payable
Balance as of December 31, 2025	**$ 3,407**
Consideration paid	(207)
Revaluations	154
Balance as of June 30, 2026	**$ 3,354**

As of June 30, 2026, the current portion of the contingent consideration payable is $2.0 million and is presented within accrued and other current liabilities on the unaudited interim condensed consolidated balance sheets.

The Company’s contingent consideration payable relates to the additional Earn-Out to be paid as part of the Cheetah Acquisition and is categorized as a Level 3 financial instrument within the fair value hierarchy, as specific valuation techniques using unobservable inputs is required. The Company is using a probability-weighted average scenario approach in assigning probabilities across multiple outcomes of the potential EBITDA earned from the Brand which forms the basis of the Earn-Out. These assumptions include financial forecasts, discount rates, and growth expectations. As of June 30, 2026, the discount rate applied was the Company's incremental borrowing rate of 13.9% and growth expectations on potential EBITDA earned from the Brand were in the range of 36% to 89% in 2026, 0% to 20% in 2027, and 0% to 16% for the first quarter of 2028. The development and determination of the unobservable inputs for Level 3 fair value measurements and fair value calculations are the responsibility of the Company’s management.

The following table summarizes the Company’s long-term debt instruments (Note 5) at their carrying value and fair value.

	As of June 30, 2026		As of December 31, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
June Unsecured Debentures	$ 26,481	$ 25,710	$ 24,855	$ 23,831
June Secured Debentures	169,065	164,585	160,772	154,569
Secured Notes	8,001	7,939	8,359	8,089
Total	**$ 203,547**	**$ 198,234**	**$ 193,986**	**$ 186,489**

Note 10 – Commitments

In the ordinary course of business, the Company enters into contractual agreements with third parties that include non-cancelable payment obligations, for which it is liable in future periods. These arrangements can include terms binding the Company to minimum payments and/or penalties if it terminates the agreement for any reason other than an event of default as described in the agreement.

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The following table summarizes the Company's contractual obligations and commitments as of June 30, 2026:

	2027	2028	2029	2030	2031
Operating leases[1]	$ 7,269	$ 7,193	$ 7,155	$ 6,797	$ 5,779
Service and other contracts	5,299	2,118	114	—	—
Current debt	226,105	—	—	—	—
Contingent consideration payable from Cheetah Acquisition	2,014	1,340	—	—	—
Total	**$ 240,687**	**$ 10,651**	**$ 7,269**	**$ 6,797**	**$ 5,779**

[1] The operating lease commitments presented above reflect contractual obligations within the specified periods. Total future lease payments, including amounts beyond the periods presented, are disclosed in Note 2.

The Company's commitments include payments to employees, consultants and advisors, as well as leases and construction contracts for offices, dispensaries and cultivation facilities in the U.S. and Canada. The Company has certain operating leases with renewal options extending the initial lease term for an additional one to 15 years.

Sale of Certain Massachusetts Assets

On February 9, 2024, ICH's wholly-owned subsidiary, Mayflower Medicinals Inc. ("Mayflower"), entered into an Asset Purchase Agreement (the "MA Purchase Agreement") with an unaffiliated third-party buyer (the "MA Buyer"), pursuant to which, Mayflower agreed to sell certain of its assets associated with its Holliston, Massachusetts cultivation and product manufacturing facility (the "Purchased Assets") for $3.0 million (the "Purchase Price"). The transaction closed on September 27, 2024 (the "MA Closing Date"). On the MA Closing Date, $0.5 million was paid in cash (the "Cash Closing Payment"), while the remaining $2.5 million of the Purchase Price will be paid in installments pursuant to two promissory notes (the "MA Notes") as follows: $0.5 million to be paid in equal monthly installments over eight months with interest accruing at 7% per annum, and $2.0 million to be paid in equal monthly installments over 36 months with interest accruing at 7% per annum. Since the MA Closing Date, the Company has not received any of the scheduled payments pursuant to the MA Notes from the MA Buyer. As a result, during the year ended December 31, 2025, the Company recorded credit loss provisions of $1.8 million, which is included within "write-downs, recoveries, and other charges, net" on the consolidated statements of operations. During the three and six months ended June 30, 2026, the Company recorded additional credit loss provisions for the remaining balance of $0.5 million on the MA Notes. Accordingly, as of June 30, 2026, the balance outstanding on the MA Notes was $Nil (December 31, 2025 - $0.5 million).

Divestiture of Nevada Business

On February 23, 2024, GMNV also entered into a Management Agreement (the "NV Management Agreement"), pursuant to which, the NV Buyer's affiliated entity (the "Manager"), will assume full operational and managerial control of the Business, which was approved by the NV CCB and became effective as of June 24, 2024 (the "NV Management Agreement Effective Date"). As of the NV Management Agreement Effective Date, all operational control of GMNV was transferred to the Manager and the Company determined that it no longer had a controlling financial interest as of the NV Management Agreement Effective Date.

The NV Closing was subject to, among other customary conditions, receipt of approval of the Nevada Cannabis Compliance Board (the "NV CCB"). On March 20, 2025, the Company received approval from the NV CCB for the NV Purchase Agreement and transfer of the licenses to the NV Buyer. The effective closing date of the NV Closing is March 31, 2025 (the "NV Closing Date"). On the NV Closing Date, the Company received $3.5 million in cash of the Purchase Price, while the remainder is paid through quarterly repayments by way of a promissory note (the "NV Note") issued by the NV Buyer, in respect of which quarterly repayments commenced in September 2025. As of June 30, 2026, the balance outstanding on the NV Note including accrued interest was $1.6 million (December 31, 2025 - $2.2 million), of which, $0.8 million is classified within "other current assets" on the unaudited interim condensed consolidated balance sheets.

Note 11 - Contingencies and Guarantees

The Company is involved in lawsuits, claims, and proceedings, including those identified below, which arise in the ordinary course of business. In accordance with the Financial Accounting Standards Board ASC Topic 450 Contingencies, the Company will make a provision for a liability when it is both probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company believes it has adequate provisions for any such matters. The Company reviews these provisions in conjunction with any related provisions on assets related to the claims at least quarterly and adjusts these provisions to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel and other pertinent information related to the case. Should developments in any of these matters outlined below cause a change in the Company's determination as to an unfavorable outcome and result in the need to recognize a material provision, or, should any of these matters result in a final adverse judgment or be settled for significant amounts, they could have a material adverse effect on the Company's results of operations, cash flows, and financial position in the period or periods in which such a change in determination, settlement or judgment occurs.

The Company expenses legal costs relating to its lawsuits, claims and proceedings as incurred. The Company has been named as a defendant in several legal actions and is subject to various risks and contingencies arising in the normal course of business. Based on consultation with counsel, management and legal counsel is of the opinion that the outcome of these uncertainties will not have a material adverse effect on the Company's financial position.

The events that allegedly gave rise to the following claims, which occurred prior to the Company's closing of the MPX Bioceutical Corporation ("MPX") acquisition (the "MPX Acquisition") in February 2019, are as follows:

On May 29, 2019, Walmer Capital Limited ("Walmer") and Island Investments Holdings Limited ("Island") filed a statement of claim in the Ontario Superior Court of Justice against MPX Bioceutical ULC ("MPX ULC"). The claim arose from the debentures (the "MPX Debentures") issued by MPX Bioceutical Corporation ("MPX Corporation") in May 2018, the majority of which debentures were redeemed on April 24, 2019 by MPX ULC, a wholly-owned subsidiary of the Company and the successor entity to MPX Corporation following the MPX Acquisition. MPX ULC withheld the redemption of approximately $1.3 million of the original subscription amount of the MPX Debentures as MPX ULC was unable to confirm valid payment of such debentures (the "Disputed Debentures"). The plaintiffs' statement of claim alleged that the plaintiffs were entitled to the Disputed Debentures and sought immediate conversion of such debentures into the Company's common shares. In addition, the plaintiffs sought damages including, but not limited to, for breach of the Disputed Debentures and related indenture in the amount of $111.0 million and breach of a security subordination agreement in the amount of $3.5 million. On July 2, 2019, Walmer, Island, Walmer's principal, Alastair Crawford ("Crawford"), Broughton Limited ("Broughton") and Puddles 8 Limited ("Puddles") filed a petition in British Columbia against the Company and its then directors based on the same facts as alleged in the statement of claim filed by Walmer and Island in the Ontario Superior Court of Justice and seeking a declaration that the respondents engaged in oppressive or unfairly prejudicial conduct and resulting damages. In September 2019, the parties to the Ontario action and the British Columbia petition agreed to consolidate the two proceedings into one action that addresses all issues in the British Columbia petition and agreed to discontinue the separate proceedings. On August 23, 2019, Walmer, Island, Crawford, Broughton and Puddles filed a notice of civil claim in the Supreme Court of British Columbia against MPX ULC, the Company and its then directors consolidating the allegations made in the previously commenced Ontario action and British Columbia petition and seeking, among other things: (i) a mandatory order compelling MPX ULC and the Company to convert the Disputed Debentures into common shares of the Company; (ii) damages for breach of the Disputed Debentures (and indentures) and breach of fiduciary obligations in the amount of $111.0 million; (iii) damages for breach of a security subordination agreement in the amount of $3.5 million; (iv) damages for breach of a consultancy agreement in the approximate amount of $0.4 million plus approximately $0.2 million plus certain warrants; and (v) damages for breach of the duty of good faith in the amount of $1.0 million. On October 31, 2019, the Company and MPX ULC served the plaintiffs with a response and counterclaim. On December 3, 2019, the plaintiffs served (i) a notice of application seeking an order to strike the Company's and MPX ULC's counterclaim against Timothy Childs, Island's principal, in his personal capacity, on the basis that it alleges no cause of action against him and (ii) a notice of application for summary judgment. On February 11, 2020, the Company's directors filed a defense to the plaintiffs' claim with the Supreme Court of British Columbia. On August 22, 2023, Walmer, Island, Broughton, Crawford and Puddles filed a Notice of Intention to Proceed with their claim. On June 4, 2025, the plaintiffs filed an Amended Notice of Civil Claim (the "Amended Claim"), which, among other things, revised the relief sought by the plaintiffs. Pursuant to the Amended Claim, the plaintiffs are seeking: (i) damages for failure to pay the Disputed Debentures in the amount of $1.8 million plus bonus and interest; (ii) damages for breach of a consultancy agreement in the amount of $0.4 million plus approximately $0.2 million; and (iii) damages for breach of the duty of good faith owed to the plaintiffs in the amount of $1.0 million. The Company and MPX ULC filed its response and counterclaim on July 4, 2025.

In addition, the Company is currently reviewing the following matters with legal counsel and has not yet determined the range of potential losses:

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In October 2018, Craig Roberts and Beverly Roberts (the “Roberts”) and the Gary W. Roberts Irrevocable Trust Agreement I, Gary W. Roberts Irrevocable Trust Agreement II, and Gary W. Roberts Irrevocable Trust Agreement III (the “Roberts Trust” and together with the Roberts, the “Roberts Plaintiffs”) filed two separate but similar declaratory judgment actions in the Circuit Court of Palm Beach County, Florida against GrowHealthy Holdings, LLC (“GrowHealthy Holdings”) and the Company in connection with the acquisition of substantially all of GrowHealthy Holdings’ assets by the Company in early 2018. The Roberts Plaintiffs sought a declaration that the Company must deliver certain share certificates to the Roberts without requiring them to deliver a signed Shareholder Representative Agreement to GrowHealthy Holdings, which delivery was a condition precedent to receiving the Company share certificates and required by the acquisition agreements between GrowHealthy Holdings and the Company. In January 2019, the Circuit Court of Palm Beach County denied the Roberts Plaintiffs’ motion for injunctive relief, and the Roberts Plaintiffs signed and delivered the Shareholder Representative Agreement forms to GrowHealthy Holdings while reserving their rights to continue challenging the validity and enforceability of the Shareholder Representative Agreement. The Roberts Plaintiffs thereafter amended their complaints to seek monetary damages in the aggregate amount of $22.0 million plus treble damages. On May 21, 2019, the court issued an interlocutory order directing the Company to deliver the share certificates to the Roberts Plaintiffs, which the Company delivered on June 17, 2019, in accordance with the court’s order. On December 19, 2019, the Company appealed the court’s order directing delivery of the share certificates to the Florida Fourth District Court of Appeal, which appeal was denied per curiam. On October 21, 2019, the Roberts Plaintiffs were granted leave by the Circuit Court of Palm Beach County to amend their complaints in order to add purported claims for civil theft and punitive damages, and on November 22, 2019, the Company moved to dismiss the Roberts Plaintiffs’ amended complaints. On May 1, 2020, the Circuit Court of Palm Beach County heard arguments on the motions to dismiss, and on June 11, 2020, the court issued a written order granting in part and denying in part the Company’s motion to dismiss. Specifically, the order denied the Company’s motion to dismiss for lack of jurisdiction and improper venue; however, the court granted the Company’s motion to dismiss the Roberts Plaintiffs’ claims for specific performance, conversion and civil theft without prejudice. With respect to the claim for conversion and civil theft, the Circuit Court of Palm Beach County provided the Roberts Plaintiffs with leave to amend their respective complaints. On July 10, 2020, the Roberts Plaintiffs filed further amended complaints in each action against the Company including claims for conversion, breach of contract and civil theft including damages in the aggregate amount of $22.0 million plus treble damages, and on August 13, 2020, the Company filed a consolidated motion to dismiss such amended complaints. On October 26, 2020, Circuit Court of Palm Beach County heard argument on the consolidated motion to dismiss, denied the motion and entered an order to that effect on October 28, 2020. Answers on both actions were filed on November 20, 2020 and the parties commenced discovery. On September 9, 2021, the Roberts Plaintiffs filed a motion to consolidate the two separate actions, which motion was granted on October 14, 2021. On August 6, 2020, the Roberts filed a lawsuit against Randy Maslow, the Company’s now former Interim Chief Executive Officer, President, and director, in his individual capacity (the “Maslow Complaint”), alleging a single count of purported conversion. The Maslow Complaint was not served on Randy Maslow until November 25, 2021, and the allegations in the Maslow Complaint are substantially similar to those allegations for purported conversion in the complaints filed against the Company. On March 28, 2022, the court consolidated the action filed against Randy Maslow with the Roberts Plaintiffs’ action for discovery and trial purposes. As a result, the court vacated the matter’s initial trial date of May 9, 2022 and the case has not been reset for trial yet. On April 22, 2022, the parties attended a court required mediation, which was unsuccessful. On May 6, 2022, the Circuit Court of Palm Beach County granted Randy Maslow’s motion to dismiss the Maslow Complaint. On May 19, 2022, the Roberts filed a second amended complaint against Mr. Maslow (“Amended Maslow Complaint”). On June 3, 2022, Mr. Maslow filed a motion to dismiss the Amended Maslow Complaint, which was denied on September 9, 2022. On April 12, 2023, the Circuit Court of Palm Beach County initially set this matter for a jury trial to occur sometime between June 5, 2023 and August 11, 2023, but the court rescheduled the jury trial and did not set a new trial date. On April 14, 2023, the Roberts Plaintiffs filed a partial Motion for Summary Judgment on liability for the Roberts Plaintiffs' claims for breach of contract and the Company filed a competing Motion for Summary Judgment on all claims against the Company. On April 21, 2023, Mr. Maslow also filed a Motion for Summary Judgment. On February 27, 2024, the Roberts Plaintiffs filed a Notice for Jury Trial with the Circuit Court of Palm Beach County, notifying the court that the matter was ready to be set for trial. As of the date hereof, the court still has not set a new trial date. On April 19, 2024, the Roberts Plaintiffs filed a Motion for Speedy Trial due to the ages and health of the Roberts Plaintiffs. On May 14, 2024, the court issued a scheduling order that, among other things, set this matter for a jury trial to occur sometime between October 21, 2024 and December 27, 2024; however, due to competing schedules of the parties, the court elected to specially set the trial. On October 15, 2024, the court issued an order specially setting the trial to begin on January 14, 2025; however, the court has vacated this trial date. On December 13, 2024, the court denied each of the parties' respective Motions for Summary Judgment. Further, the parties have been ordered by the court to attend mediation, which occurred on March 7, 2025 and was ultimately unsuccessful. On March 21, 2025, the court issued an order specially setting the trial to begin on April 8, 2025 and on the same day, the Company filed an objection to the order on the basis that that it was not timely issued. Also on March 21, 2025, the court scheduled a case management conference for March 28, 2025 and referred this matter to non-binding arbitration beginning on April 8, 2025. The parties attended non-binding arbitration on April 15, 2025, the results of which are confidential. On March 31, 2025, the court issued an order specially setting the trial to begin on June 17, 2025. On June 15, 2025, the parties executed a settlement agreement (the "Roberts Settlement Agreement"), pursuant to which, the Company agreed to pay the Roberts Plaintiffs a total sum of $5.5 million, payable as follows: (i) $1,250,000 within five (5) business days of executing the Roberts Settlement Agreement; (ii) $150,000 on January 5, 2026; and (iii) starting January 5, 2026, $4,100,000 in equal monthly installments over thirty-six (36) months, bearing a simple interest rate of 6% per year. On June 16, 2025, the parties filed a Joint Stipulation to Dismiss this matter with prejudice, which was approved by the court on June 17, 2025.

On July 23, 2020, Blue Sky Realty Corporation filed a putative class action against the Company, the Company's former Chief Executive Officer, and the Company's Chief Financial Officer in the Ontario Superior Court of Justice ("OSCJ") in Toronto, Ontario. On September 27, 2021, the OSCJ granted leave for the plaintiff to amend its claim ("Amended Claim"). In the Amended Claim, the plaintiff seeks to certify the proposed class action on behalf of two classes. "Class A" consists of all persons, other than any executive level employee of the Company and their immediate families ("Excluded Persons"), who acquired the Company's common shares in the secondary market on or after April 12, 2019, and who held some or all of those securities until after the close of trading on April 5, 2020. "Class B" consists of all persons, other than Excluded Persons, who acquired the Company's common shares prior to April 12, 2019, and who held some or all of those securities until after the close of trading on April 5, 2020. Among other things, the plaintiff alleges statutory and common law misrepresentation, and seeks an unspecified amount of damages together with interest and costs. The plaintiff also alleges common law oppression for releasing certain statements allegedly containing misrepresentations inducing Class B members to hold the Company's securities beyond April 5, 2020. No certification motion has been scheduled. The Amended Claim also changed the named plaintiff from Blue Sky Realty Corporation to Timothy Kwong. The hearing date for the motion for leave to proceed with a secondary market claim under the Securities Act (Ontario) has been vacated. The parties have reached a settlement in principle, and November 16, 2023, the OSCJ certified the class for settlement purposes only. On February 20, 2024, the OSCJ held the settlement approval hearing and on March 8, 2024, issued its decision rejecting the proposed settlement.

On August 19, 2021, Arvin Saloum ("Saloum"), a former consultant of the Company, filed a Demand for Arbitration with the American Arbitration Association (the "Arbitration Action") against The Healing Center Wellness Center, Inc. ("THCWC") and iAnthus Arizona, LLC ("iA AZ"), claiming a breach of a Consulting and Joint Venture Agreement (the "JV Agreement") for unpaid consulting fees allegedly owed to Saloum under the JV Agreement. Saloum is claiming damages between $1.0 million and $10.0 million. On September 7, 2021, THCWC and iA AZ filed Objections and Answering Statement to Saloum's Demand for Arbitration. On November 18, 2021, THCWC and iA AZ filed a Complaint for Declaratory Judgment ("Declaratory Judgment Complaint") with the Arizona Superior Court, Maricopa County ("Arizona Superior Court"), seeking declarations that: (i) the JV Agreement is void, against public policy and terminable at will; (ii) the JV Agreement is unenforceable and not binding; and (iii) the JV Agreement only applies to sales under the Arizona Medical Marijuana Act. On January 21, 2022, Saloum filed an Answer with Counterclaims in response to the Declaratory Judgment Complaint. The Declaratory Judgment Complaint remains pending before the Arizona Superior Court. The Arbitration Action is stayed, pending resolution of the Declaratory Judgment Complaint. On April 25, 2023, the parties attended a mediation, which was unsuccessful. The parties are currently engaging in discovery. On March 23, 2026, Saloum filed a Partial Motion for Summary Judgment, seeking a declaration that the JV Agreement is binding upon THCWC, iA AZ and the Company (collectively, the "iAnthus Parties") because: (i) the iAnthus Parties ratified the JV Agreement by making payments to Saloum; (ii) the iAnthus Parties assumed the obligations under the JV Agreement in connection with the MPX Acquisition; (iii) the MPX Acquisition was a de-facto merger, meaning MPX Corporation's obligations became the iAnthus Parties'; and (iv) the iAnthus Parties are stopped from denying the enforceability of the JV Agreement because Saloum relied upon the iAnthus Parties' performance. The iAnthus Parties' filed its response on April 22, 2026. Oral argument for Salaoum's Partial Motion for Summary Judgment was held on June 23, 2026, and the motion remains pending.

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On June 20, 2022, Michael Weisser ("Weisser") commenced a petition (the "Petition") in the Court against ICH and ICH's former board of directors. In the Petition, Weisser sought: (i) a declaration that the affairs of ICH and its then-board of directors were being conducted or have been conducted in a manner that is oppressive and/or prejudicial to Weisser; (ii) an order that Weisser is entitled to call and hold ICH's annual general meeting for 2020 ("2020 AGM") on or before June 30, 2022 or a date set by the Court as soon as reasonably possible; (iii) alternatively, an order that ICH hold the 2020 AGM on or before June 30, 2022 or a date set by the Court as soon as reasonably possible; (iv) an order that ICH set the record date for the 2020 AGM; (v) an order that Weisser is entitled to appoint a chair for the 2020 AGM, or that the Court appoint an independent chair for the 2020 AGM; and (vi) an order that ICH be required to provide Weisser with an opportunity to review all votes and proxies submitted in respect of the 2020 AGM, no later than 24 hours in advance of the 2020 AGM. On June 22, 2022, Weisser was granted a short leave by the Court which permitted a return date for the Petition of June 28, 2022. On June 24, 2022, the Company closed the Recapitalization Transaction and ICH noticed the 2020 AGM, the annual general meeting for 2021 ("2021 AGM") and the annual general meeting for 2022 (the "2022 AGM" and together with the 2020 AGM and 2021 AGM, the "AGMs"). As a result, Weisser's Petition was rendered moot. On November 14, 2022, Weisser filed an application (the "Application") in the Petition proceeding, seeking to add the Secured Lenders and Consenting Unsecured Lenders as respondents to the Petition and to amend the Petition. Specifically, Weisser sought to amend the Petition to request: (i) a declaration that the affairs of the Secured Lenders, Consenting Unsecured Lenders, ICH and the powers of its then-directors have been and are continuing to be conducted in a manner that is oppressive and/or prejudicial to Weisser; (ii) an order setting aside and/or unwinding the closing of the Recapitalization Transaction; (iii) an order setting aside the results of ICH's annual general meeting held August 11, 2022; (iv) an order that the 2020 AGM be held by December 31, 2022; (v) an order that ICH set the record date for the 2020 AGM to hold the meeting by December 31, 2022; (vi) an order that for purposes of voting at the 2020 AGM, the shareholdings of ICH be those shareholdings that existed prior to the closing of the Recapitalization Transaction; (vii) an order that Weisser is entitled to appoint a chair for the 2020 AGM, or that the Court appoint an independent chair for the 2020 AGM; (viii) an order that ICH be required to provide Weisser with an opportunity to review all votes and proxies submitted in respect of the 2020 AGM, no later than 24 hours in advance of the 2020 AGM; and (ix) an order that pending the 2020 AGM, ICH's current board of directors be replaced by an interim slate of directors to be nominated by Weisser. On May 2, 2023, ICH and its former directors filed their response to the Petition, opposing all orders sought by Weisser, in part, as the Petition is barred by the releases in the Plan of Arrangement and constitutes a collateral attack on Justice Gomery's order approving the Plan. Weisser has not requested a hearing date on the Petition yet.

On April 5, 2023, Canaccord Genuity Corp. ("Canaccord") filed a Statement of Claim against the Company in the OSCJ pursuant to an engagement letter (as amended, the "Engagement Letter") entered into by and between Canaccord and the Company. Specifically, Canaccord alleges that it is owed a cash fee equal to approximately $2.2 million (the "Alleged Fee") pursuant to the Engagement Letter as a result of the closing of the Recapitalization Transaction. The Company filed its Statement of Defense on May 17, 2023 in which, the Company disputes that it owes the Alleged Fee on the basis that the Recapitalization Transaction closed outside of the tail period of the Engagement Letter, which expired on November 4, 2021. The Company also filed a counterclaim against Canaccord, seeking the repayment of $0.3 million payment mistakenly made by the Company towards the Alleged Fee in October 2022. On November 3, 2023, Canaccord filed a Motion for Summary Judgment, requesting that the court grant Canaccord's claim for the Alleged Fee. The hearing on Canaccord's Motion for Summary Judgment was held on June 26, 2025, but the court has not issued its decision yet. On August 8, 2025, the parties executed a settlement agreement, pursuant to which, the Company agreed to pay Canaccord a total sum of $2 million, payable as follows: (i) $0.3 million by August 20, 2025; and (ii) $1.7 million in 24 equal monthly installments, beginning on September 19, 2025.

Note 12 - Related Party Transactions

	June 30, 2026	December 31, 2025
Financial Statement Line Item		
Current portion of long-term debt, net of issuance costs [(1)]	197,308	—
Long-term debt, net of issuance costs [(1)]	—	188,088
Accrued and other current liabilities	4,279	4,032
Total	**$ 201,587**	**$ 192,120**

[(1)] Upon the closing of the Recapitalization Transaction, certain of the Company's lenders held greater than 5.0% of the voting interests in the Company and therefore are classified as related parties. Refer to Note 5 for further discussion.

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Pursuant to the terms of the Secured DPA, the Company has a related party payable of $6.3 million due to certain of the New Secured Lenders, including Gotham Green Fund 1, L.P., Gotham Green Fund 1 (Q), L.P., Gotham Green Fund II, L.P., Gotham Green Fund II (Q), L.P., Oasis Investments Master II Fund LTD., Senvest Global (KY), LP, Senvest Master Fund, LP and Hadron Healthcare and Consumer Special Opportunities Master Fund, for certain out-of-pocket costs, charges, fees, taxes and other expenses incurred by the New Secured Lenders in connection with the closing of the Recapitalization Transaction (the "Deferred Professional Fees"). These New Secured Lenders held greater than 5.0% of the outstanding common shares of the Company upon the closing of the Recapitalization Transaction and are therefore considered to be related parties. The Company had until December 31, 2022, to pay the Deferred Professional Fees ratably based on the amount of each New Secured Lender's Deferred Professional Fees. The Deferred Professional Fees accrued simple interest at the rate of 12.0% from the Closing Date until December 31, 2022. Beginning with the first business day of the month following December 31, 2022, interest shall accrue on the Deferred Professional Fees at the rate of 20.0% calculated on a daily basis and is payable on the first business day of every month until the Deferred Professional Fees and accrued interest thereon is paid in full.

On February 5, 2025, the Company entered into consent and release agreement with Secured Lenders to utilize cash proceeds upon the closing of the AZ Transaction to payments in the amount of $5.0 million towards the principal amount outstanding under the Deferred Professional Fees. In addition, the Secured Lenders agreed to reduce the outstanding amount of the Deferred Professional fees by $1.0 million and reduce interest to 8% on the remaining balance. On September 2, 2025, the Company applied cash proceeds from the sale of the AZ Note, utilizing $0.3 million toward the remaining principal and $0.9 million toward accrued interest under the Deferred Professional Fees. As of June 30, 2026, the outstanding related party portion of the Deferred Professional Fees including accrued interest was $2.2 million (December 31, 2025 – $2.2 million). The related party balance is presented in accrued and other current liabilities on the unaudited interim condensed consolidated balance sheets.

Pursuant to the terms of 2024 NJ Amendment interest accruing after February 16, 2024 will be payable in cash on the last day of each fiscal quarter (the first such interest payment date being May 16, 2024). As of June 30, 2026 the outstanding related party portion of the interest payable was $0.1 million (December 31, 2025 - $0.1 million) presented in accrued and other current liabilities on the unaudited interim condensed consolidated balance sheets.

Note 13 – Unaudited Interim Condensed Consolidated Statements of Cash Flows Supplemental Information

(a) Cash payments made on account of:

	Six Months Ended June 30, 2026	2025
Income taxes (including interest and penalties)	$ 2,365	$ 4,551
Interest	502	865

(b) Changes in operating assets and liabilities are comprised of the following:

	Six Months Ended June 30, 2026	2025
Decrease (increase) in:		
Accounts receivables, net	$ 969	$ 5,664
Prepaid expenses	767	(168)
Inventories, net	(3,986)	(4,115)
Other current assets	244	(1,221)
Other long-term assets	245	1,260
Operating leases	(991)	(810)
(Decrease) increase in:		
Accounts payable	(6,962)	2,067
Accrued and other current liabilities	5,820	(2,384)
Other non-current liabilities	813	3,689
Uncertain tax position liabilities	12,154	5,947
	$ 9,072	**$ 9,929**

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(c) Depreciation and amortization are comprised of the following:

	Six Months Ended June 30, 2026	2025
Property, plant and equipment	$ 3,813	$ 3,498
Operating lease ROU assets	1,116	1,010
Intangible assets	4,452	4,801
	$ 9,381	**$ 9,309**

(d) Write-downs, (recoveries), and other charges, net are comprised of the following:

	Six Months Ended June 30, 2026	2025
Accounts receivable	$ (7)	$ 112
Notes receivable	500	1,362
Operating lease ROU assets	(50)	—
Property, plant and equipment	—	7
	$ 443	**$ 1,481**

(e) Significant non-cash investing and financing activities are as follows:

	Six Months Ended June 30, 2026	2025
Supplemental Cash Flow Information:		
Non-cash consideration for paid-in-kind interest	$ 7,803	$ 7,201
Non-cash issuance of shares for the Cheetah Acquisition	—	250

Cash and Restricted Cash

For purposes of the unaudited interim condensed consolidated balance sheets and the statements of cash flows, cash and restricted cash are held primarily in U.S. dollars.

Restricted cash balances are those which meet the definition of cash and cash equivalents but are not available for use by the Company. As of June 30, 2026, the Company held $0.2 million as restricted cash (December 31, 2025— $0.2 million).

The following table provides a reconciliation of cash and restricted cash reported on the unaudited interim condensed consolidated balance sheets to such amounts presented in the statements of cash flows:

	June 30, 2026	December 31, 2025
Cash	$ 8,038	$ 11,650
Restricted cash	236	220
Total cash and restricted cash presented in the statements of cash flows	**$ 8,274**	**$ 11,870**

Note 14 - Subsequent Events

Legal Proceedings

Please refer to Note 11 for further discussion.

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Revolving Line of Credit

On August 12, 2026, the Company entered into a credit agreement (the "Credit Agreement") with affiliates of Gotham Green Partners, LLC (collectively, the "Lender"), pursuant to which the Lender made available to the Company a revolving line of credit in an aggregate principal amount of up to $2.5 million (the "Revolving Credit Line"). The Company may borrow, repay and re-borrow amounts under the Revolving Credit Line during the term of the facility. Outstanding borrowings bear simple interest at 12.0% per annum, and all outstanding principal and accrued and unpaid interest are due and payable on June 27, 2027, or such earlier date as the Company's obligations under the Credit Agreement become due and payable.

As of the date of issuance of these unaudited interim condensed consolidated financial statements, no amounts have been drawn under the Revolving Credit Line.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited interim condensed consolidated financial statements and the related notes appearing elsewhere in this Quarterly Report on Form 10-Q. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in the section titled "Risk Factors" included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, as may be amended, supplemented or superseded from time to time by other reports we file with the SEC. All amounts in this report are in U.S. dollars, unless otherwise noted.

Overview

We are a vertically-integrated, multi-state owner and operator of licensed cannabis cultivation, processing and dispensary facilities in the United States. Although, we are committed to creating a national retail brand and portfolio of branded cannabis products recognized in the United States, cannabis currently remains illegal under U.S. federal law.

Through our subsidiaries, we own and/or operate as of June 30, 2026, 41 dispensaries and six cultivation and/or processing facilities in seven U.S. states. Pursuant to our existing licenses, interests and contractual arrangements, and subject to regulatory approval, we have the capacity to own and/or operate an uncapped number of dispensary licenses in Florida, and up to ten cultivation, manufacturing and/or processing facilities, and we have the right to manufacture and distribute cannabis products in eight U.S. states, all subject to the necessary regulatory approvals.

Our multi-state operations encompass the full spectrum of medical and adult-use cannabis enterprises, including cultivation, processing, product development, wholesale-distribution and retail. Cannabis products offered by us include flower and trim, products containing cannabis flower and trim (such as packaged flower and pre-rolls), cannabis infused products (such as topical creams and edibles) and products containing cannabis extracts (such as vape cartridges, concentrates, live resins, wax products, oils and tinctures). Under U.S. federal law, cannabis is classified as a Schedule I controlled substance under the U.S. Controlled Substances Act. A Schedule I controlled substance is defined as a substance that has no currently accepted medical use in the United States, a lack of safety use under medical supervision and a high potential for abuse. Other than Epidiolex (cannabidiol), a cannabis-derived product, and three synthetic cannabis-related drug products (Marinol (dronabinol), Syndros (dronabinol) and Cesamet (nabilone), to our knowledge, the U.S. Food and Drug Administration has not approved a marketing application for cannabis for the treatment of any disease or condition and has not approved any cannabis or cannabis-derived products.

Financial Restructuring

The significant disruption of global financial markets, and specifically, the decline in the overall public equity cannabis markets due to the COVID-19 pandemic negatively impacted our ability to secure additional capital, which caused liquidity constraints. In early 2020, due to the liquidity constraints, we attempted to negotiate temporary relief of our interest obligations with the lenders (the "Secured Lenders") of our 13.0% senior secured debentures (the "Secured Notes") issued by our wholly-owned subsidiary, iAnthus Capital Management, LLC ("ICM"). However, we were unable to reach an agreement and did not make interest payments when due and payable to the Secured Lenders or payments that were due to the holders (the "Unsecured Lenders" and together with the Secured Lenders, the "Lenders") of our 8.0% convertible unsecured debentures (the "Unsecured Debentures"). As a result, we defaulted on our obligations pursuant to the Secured Notes and Unsecured Debentures.

On July 10, 2020, we entered into a restructuring support agreement (as amended on June 15, 2021, the "Restructuring Support Agreement") with the Secured Lenders and certain of our Unsecured Lenders (the "Consenting Unsecured Lenders") to effectuate a recapitalization transaction (the "Recapitalization Transaction") which was consummated on June 24, 2022 (the "Closing Date").

In connection with the closing of the Recapitalization Transaction, we issued an aggregate of 6,072,579,705 common shares to the Secured Lenders and the Unsecured Lenders. Specifically, we issued 3,036,289,852 common shares (the "Secured Lender Shares"), or 48.625% of our outstanding common shares, to the Secured Lenders and 3,036,289,853 common shares (the "Unsecured Lender Shares" and together with Secured Lender Shares, the "Shares"), or 48.625% of our outstanding common shares, to the Unsecured Lenders. As of the Closing Date, we had 6,244,297,897 common shares issued and outstanding. As of the Closing Date, the holders of our common shares collectively held 171,718,192 common shares, or 2.75% of our outstanding common shares.

As of the Closing Date, the outstanding principal amount of the Secured Notes (including the interim financing secured notes in the aggregate principal amount of approximately $14.7 million originally due on July 13, 2025) together with interest accrued and fees thereon were forgiven in part and exchanged for (A) the Secured Lender Shares, (B) the issuance of the 8.0% secured debentures (the "June Secured Debentures") to the lender parties (the "New Secured Lenders") in the aggregate principal amount of $99.7 million and (C) the issuance of the 8.0% unsecured debentures (the “June Unsecured Debentures”) to the Secured Lenders in the aggregate principal amount of $5.0 million. Also, as of the Closing Date, the outstanding principal amount of the Unsecured Debentures together with interest accrued and fees thereon were forgiven in part and exchanged for (A) the Unsecured Lender Shares and (B) the June Unsecured Debentures in the aggregate principal amount of $15.0 million. Furthermore, all existing options and warrants to purchase our common shares, including certain debenture warrants and exchange warrants previously issued to the Secured Lenders, the warrants previously issued in connection with the Unsecured Debentures and all other Affected Equity (as defined in the amended and restated plan of arrangement (the "Plan of Arrangement"), were cancelled and extinguished for no consideration.

Registration Rights Agreement

In connection with the consummation of the Recapitalization Transaction, we entered into a registration rights agreement (the “RRA”), dated June 24, 2022, with ICM and certain holders of Registrable Securities (as defined in the RRA) (the “Holders”) pursuant to which we shall, upon receipt of written notice (the “Shelf Request”) from Holders of at least 15.0% of our outstanding common shares (the “Substantial Holders”), prepare and file (i) with the applicable Canadian Securities Regulators (as defined in the RRA), a Shelf Prospectus (as defined in the RRA) to facilitate a secondary offering of all of the Registrable Securities or (ii) with the Securities and Exchange Commission (the “SEC”), a registration statement on Form S-3 (the “S-3 Registration Statement”) covering the resale of all Registrable Securities. In addition, pursuant to the RRA and subject to certain exceptions, the Substantial Holders may request (the “Demand Registration Request”) that we file a Prospectus (as defined in the RRA) (other than a Shelf Prospectus) or a registration statement on any form that we are then eligible to use (the “Registration Statement”) to facilitate a Distribution (as defined in the RRA) in Canada or the United States of all or any portion of the Registrable Securities (the “Demand Registration”) held by the Holders requesting the Demand Registration. Moreover, pursuant to the RRA and subject to certain exceptions, if, at any time, we propose to make a Distribution for our own account, we shall notify the Holders of such Distribution (the “Piggyback Registration”) and shall use reasonable commercial efforts to include in the Piggyback Registration such Registrable Securities requested by the Holders be included in such Piggyback Registration.

Investor Rights Agreement

Furthermore, in connection with the closing of the Recapitalization Transaction, we entered into an Investor Rights Agreement (“IRA”), dated June 24, 2022, with ICH, ICM and certain investors (the “Investors”). Pursuant to the IRA, among other things, the Investors are entitled to designate nominees for election or appointment to our Board as follows:

- one investor (the “First Investor”) shall be entitled to designate director nominees as follows:
    - i. For so long as the First Investor’s Debt Exchange Common Share Percentage (as defined in the IRA) is at least 30.0%, the First Investor shall be entitled to designate up to three individuals as director nominees;
    - ii. For so long as the First Investor’s Debt Exchange Common Share Percentage is less than 30.0% but is at least 15.0%, the First Investor shall be entitled to designate up to two individuals as director nominees; and
    - iii. For so long as the First Investor’s Debt Exchange Common Share Percentage is less than 15.0% but is at least 5.0%, the First Investor shall be entitled to designate up to one individual as a director nominee.
- a second Investor (the “Second Investor”) shall be entitled to designate up to one individual as a director nominee for so long as such Investor’s Debt Exchange Common Share Percentage is at least 5.0%.
- a third Investor (the “Third Investor”) shall be entitled to designate up to one individual as a director nominee for so long as such Investor’s Debt Exchange Common Share Percentage is at least 5.0%.
- a fourth Investor (the “Fourth Investor”) shall be entitled to designate up to one individual as a director nominee for so long as such Investor’s Debt Exchange Common Share Percentage is at least 5.0%.

Pursuant to the IRA, the Secured Lenders appointed Scott Cohen, Michelle Mathews-Spradlin and Kenneth Gilbert to serve on our Board. Mr. Cohen and Ms. Mathews-Spradlin's appointments were effective as of the Closing Date and Mr. Gilbert's appointment was effective as of August 11, 2022. The Consenting Unsecured Lenders initially appointed Zachary Arrick, Alexander Shoghi and Marco D'Attanasio to serve on our Board effective as of the Closing Date. On September 15, 2022, Mr. D'Attanasio resigned as a member of our Board and audit committee. On February 21, 2023, Mr. Arrick resigned as a member of our Board, compensation, nominating and corporate governance committees. On April 20, 2023, John Paterson was appointed to our Board. Mr. Paterson was nominated as a replacement director for Mr. D'Attanasio by the Investor that initially nominated Mr. D'Attanasio. On March 9, 2024, Mr. Paterson resigned as a member of our Board, audit committee and nominating and corporate governance committee. As of the date hereof, the Consenting Unsecured Lenders have not filled the vacancies on our Board created by Mr. Arrick's or Mr. Paterson's resignations. The directors appointed by the Secured Lenders and Consenting Unsecured Lenders will serve as our directors until our next annual general meeting of shareholders or until their successors are duly elected or appointed.

Pursuant to the IRA, we are required to hire a chief executive officer (and any successor thereto) who has been unanimously approved by the Investors. Upon the chief executive officer taking office (other than an interim chief executive officer), we are obligated to arrange for the chief executive officer to be appointed to our Board. Accordingly, we appointed Richard Proud as a member of our Board upon his appointment as Chief Executive Officer, which had been unanimously approved by the Investors.

Recent Developments

Rescheduling Order

On April 23, 2026, the Department of Justice issued AG Order No. 6754-2026 (the "Rescheduling Order"), which places Food and Drug Administration approved marijuana products and state-regulated medical marijuana products in Schedule III of the Controlled Substances Act ("CSA"). The Rescheduling Order also provides state-licensed medical marijuana businesses with an expedited review process for registration with the U.S. Drug Enforcement Administration (the "DEA"). We submitted applications for DEA registration in Florida, New Jersey, New York, Maryland, Massachusetts and Arizona for our medical operations. These applications remain under review by the DEA.

Revolving Line of Credit

On August 12, 2026, we entered into a credit agreement (the "Credit Agreement") with affiliates of Gotham Green Partners, LLC (collectively, the "Lender"), pursuant to which the Lender made available to us a revolving line of credit in an aggregate principal amount of up to $2.5 million (the "Revolving Credit Line"). We may borrow, repay and re-borrow amounts under the Revolving Credit Line during the term of the facility. Outstanding borrowings bear simple interest at 12.0% per annum, and all outstanding principal and accrued and unpaid interest are due and payable on June 27, 2027, or such earlier date as our obligations under the Credit Agreement become due and payable. We intend to use proceeds for general working capital and to pursue business opportunities in New York and Florida, including facility upgrades and operational expenses.

As of the date of issuance of these unaudited interim condensed consolidated financial statements, no amounts have been drawn under the Revolving Credit Line.

Results of Operations for the Three and Six Months Ended June 30, 2026 and 2025

Revenues and Gross Profit

(in '000s of U.S. dollars)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Revenues				
Established Region	$ 17,398	$ 17,482	$ 32,386	$ 38,092
Emerging Region	17,951	17,703	36,473	35,214
Total revenues	**$ 35,349**	**$ 35,185**	$ **68,859**	$ **73,306**
Costs and expenses applicable to revenues (exclusive of depreciation and amortization expense)				
Established Region	$ (8,986)	$ (8,915)	$ (16,465)	$ (18,207)
Emerging Region	(10,265)	(10,119)	(20,375)	(20,069)
Total costs and expenses applicable to revenues (exclusive of depreciation and amortization expense)	**$ (19,251)**	**$ (19,033)**	$ **(36,840)**	$ **(38,276)**
Gross profit				
Established Region	$ 8,412	$ 8,568	$ 15,921	$ 19,885
Emerging Region	7,686	7,584	16,098	15,145
Total gross profit	**$ 16,098**	**$ 16,152**	$ **32,019**	$ **35,030**

As of the start of the 2026 fiscal year, we reassessed our reportable segments in accordance with ASC 280, Segment Reporting. Previously, we reported operations under two reportable segments based on geographic regions: Eastern and Western. Following a review of our operating performance, growth profile, and capital allocation strategy, we determined that the quantitative thresholds under ASC 280-10-50-12 were no longer met under the prior segmentation, and that disaggregating operations based on market maturity and growth profile better reflects how the Chief Operating Decision Maker ("CODM") evaluates performance and allocates resources.

Effective January 1, 2026, the Company changed its reportable segments to Established and Emerging, defined as follows:

The Established region reflects matured markets with limited growth opportunities and a lower allocation of capital investment in the short-term. This region includes operations in Arizona, Massachusetts, and Florida. The Emerging region reflects new markets with strong growth opportunities and/or those receiving higher capital investments. This region includes operations in New Jersey, Maryland, New York, Illinois, and Pennsylvania. Segment information for prior periods presented has been recast to conform to the current period presentation. Current and prior period figures as shown above now reflect the updated reportable regions.

Expenses

(in '000s of U.S. dollars)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Total operating expenses	$ 18,377	$ 21,522	$ 36,589	$ 42,410
Total other income and expenses	(5,112)	(9,217)	(10,135)	1,952
Income tax expense	7,033	4,131	14,028	8,140

Selling, General and Administrative Expenses Details

(in ’000s of U.S. dollars)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Salaries and employee benefits	$ 7,310	$ 7,118	$ 15,051	$ 14,877
Severance	17	41	33	41
Share-based compensation	522	544	1,026	1,065
Legal and other professional fees	919	1,832	2,069	4,233
Facility, insurance and technology costs	2,755	3,200	5,606	6,386
Marketing expenses	446	1,237	968	2,382
Travel and pursuit costs	346	444	639	864
Amortization on right-of-use assets	551	520	1,116	1,010
Other general corporate expenditures	695	876	1,375	1,772
Total	**$ 13,561**	**$ 15,812**	**$ 27,881**	**$ 32,630**

Total operating expenses

Total operating expenses other than those included in costs and expenses applicable to revenues consist of selling, general, and administrative expenses which are necessary to conduct our ordinary business operations. In addition, total operating expenses consist of marketing, technology, and other growth initiatives related expenses such as opening new dispensaries and building-out our facilities, as well as depreciation and amortization charges taken on our fixed and intangible assets, and any write-downs or impairment on our assets. We have taken the necessary measures to control our discretionary spending and employ capital as efficiently as possible. After normalizing for one-time items, we expect total operating expenses to remain consistent over the remainder of 2026 as we continue to employ a disciplined capital allocation approach and continue to closely monitor operating expenditures and discretionary spending.

Total other income and expenses

Total other income and expenses include income and expenses that are not included in the ordinary day-to-day activities of our business. This includes the impact of any debt extinguishments, interest and accretion expenses on our financing arrangements, fair value gains or losses on our financial instruments, gains or losses from the sale of our businesses, and income earned from arrangements that are not from our ordinary revenue streams of retail, wholesale, or the delivery of cannabis products.

Income tax expense

As a company operating in the federally illegal cannabis industry, we are subject to the limitations of Internal Revenue Code Section 280E (“Section 280E”) under which taxpayers are only allowed to deduct expenses directly related to sales of product and no other ordinary business expenses. Our effective tax rate differs from the statutory tax rate and varies from year to year primarily as a result of numerous permanent differences, the provision for income taxes at different rates in foreign and domestic jurisdictions, including changes in enacted statutory tax rate increases or reductions in the period, changes in our valuation allowance based on our recoverability assessments of deferred tax assets and favorable or unfavorable resolution of various tax examinations.

Results of Operations for the Three Months Ended June 30, 2026 and 2025

Established region

For the three months ended June 30, 2026, our sales revenues in the established region were $17.4 million as compared to $17.5 million for the three months ended June 30, 2025, which represents a marginal decrease of 0.5%. The main drivers for the decrease in revenues are from: $0.5 million decline in Arizona, attributed to lower transaction volumes, and a $0.2 million decrease in Florida due to continued competitive pressures which led to price compression and lower sales volume during the three months ended June 30, 2026, as compared to the three months ended June 30, 2025. This was offset by a $0.6 million increase in Massachusetts from higher transaction volumes and lower discounts during the three months ended June 30, 2026, as compared to the three months ended June 30, 2025.

For the three months ended June 30, 2026, gross profit was $8.4 million, or 48.4% of sales revenues, as compared to a gross profit of $8.6 million, or 49.0% of sales revenues, for the three months ended June 30, 2025. The decrease is primarily attributable to a $0.5 million decrease in gross profit in Florida due to increased competitive pressures which led to price compression, and increased sales discounts during the three months ended June 30, 2026, as compared to the three months ended June 30, 2025. In addition, gross profit decreased by $0.2 million in Arizona during the three months ended June 30, 2026, as compared to the three months ended June 30, 2025, from lower sales volume. This was partially offset by increased gross profit in Massachusetts by $0.6 million due to lower discounts offered on sales and from increased efficiency in reducing costs and improving output within the cultivation and production processes during the three months ended June 30, 2026, as compared to the three months ended June 30, 2025.

During the three months ended June 30, 2026, approximately 12,110 pounds of plant material was harvested in the established region as compared to approximately 7,580 pounds harvested during the three months ended June 30, 2025. The increase in harvested plant material is primarily attributable to the timing of harvests in Florida and Massachusetts during the three months ended June 30, 2026, as compared to the three months ended June 30, 2025.

Emerging region

For the three months ended June 30, 2026, our sales revenues in the emerging region were $18.0 million as compared to $17.7 million for the three months ended June 30, 2025, which represents an increase of 1.4%. The increase in sales revenues is attributed to higher revenues in New Jersey by $0.8 million from the continued expansion of the wholesale program in the state during the three months ended June 30, 2026, as compared to the three months ended June 30, 2025. This was partially offset by a $0.2 million decrease in retail revenue in New York, and a $0.3 million decrease from our Cheetah brand in Illinois and Pennsylvania due to lower wholesale volumes during the three months ended June 30, 2026, as compared to the three months ended June 30, 2025.

For the three months ended June 30, 2026, gross profit was $7.7 million, or 42.8% of sales revenues, as compared to a gross profit of $7.6 million, or 42.8% of sales revenues, for the three months ended June 30, 2025. The higher gross profit was driven by $0.5 million increase in Maryland, from increased transaction volumes and lower discounts offered during the three months ended June 30, 2026, as compared to the three months ended June 30, 2025. This was partially offset by a $0.3 million decrease from Illinois and Pennsylvania from lower sales volume and increase in credits during the three months ended June 30, 2026, as compared to the three months ended June 30, 2025.

During the three months ended June 30, 2026, approximately 2,220 pounds of plant material was harvested in the emerging region as compared to approximately 1,730 pounds harvested during the three months ended June 30, 2025. The increase is attributed to higher volumes cultivated in New Jersey during the three months ended June 30, 2026, as compared to the three months ended June 30, 2025.

Total operating expenses

For the three months ended June 30, 2026, our total operating expenses were $18.4 million as compared to $21.5 million for the three months ended June 30, 2025, which represents a decrease of 14.6%.

The decrease in total operating expenses resulted from a decrease of $2.3 million in our selling, general, and administrative expenses which is attributable to: $1.7 million decrease of legal, marketing and other professional fees during the three months ended June 30, 2026 as compared to the three months ended June 30, 2025, attributed to decreased advertising and promotional events, and as the prior year period included increased legal fees from a divestiture transaction; $0.4 million decrease in facility, insurance and technology costs during the three months ended June 30, 2026 as compared to the three months ended June 30, 2025, mainly from lower software and security charges; and a $0.2 million decrease in general corporate expenditures during the three months ended June 30, 2026 as compared to the three months ended June 30, 2025. This was partially offset by a $0.2 million increase in our salaries, severance and employee expenses from higher emoluments during the three months ended June 30, 2026, as compared to the three months ended June 30, 2025.

In addition, the decrease in total operating expenses was attributable to a $1.0 million decrease in write-downs and other charges, attributed to $0.5 million credit loss provisions on the outstanding balance of the MA Notes during the three months ended June 30, 2026, as compared to $1.5 million in credit loss provisions on the MA notes during the three months ended June 30, 2025.

The increase in total operating expenses was partially offset by a $0.1 million increase in our depreciation and amortization expenses during the three months ended June 30, 2026 as compared to the three months ended June 30, 2025. We had a higher depreciable fixed asset base as new dispensaries and production facilities have become operational in 2026, compared to 2025.

Total other income and expenses

For the three months ended June 30, 2026, our total other expenses were $5.1 million as compared to total other expenses of $9.2 million for the three months ended June 30, 2025, which represents a decrease of 44.5%.

The decrease in total other expenses during the three months ended June 30, 2026, as compared to the three months ended June 30, 2025 is mainly attributable to: a $4.2 million increase in other income, as the three months ended June 30, 2025 included $5.2 million in legal settlement expenditures, offset by a $0.5 million increase in employee retention tax credit refunds, a $0.5 million increase in interest income earned from the promissory notes recognized following the AZ Transaction; and lower accretion expenses of $0.1 million during the three months ended June 30, 2026, as compared to the three months ended June 30, 2025.

In addition, total other expenses increased by $0.2 million from higher interest expense charged as the principal balance on the Senior Secured Bridge Notes, following the capitalization of outstanding interests during the three months ended June 30, 2026, as compared to the three months ended June 30, 2025.

Income tax expense

For the three months ended June 30, 2026, our income tax expense was $7.0 million as compared to $4.1 million for the three months ended June 30, 2025, which represents an increase of 70.2%. The increase in income tax expense is attributable to certain non-deductible items and mix of our pre-tax income across various jurisdictions, impacting our effective tax rate during the three months ended June 30, 2026, as compared to the three months ended June 30, 2025.

Results of Operations for the Six Months Ended June 30, 2026 and 2025

Established region

For the six months ended June 30, 2026, our sales revenues in the established region were $32.4 million as compared to $38.1 million for the six months ended June 30, 2025, which represents a decrease of 15.0%. The main driver for the decrease in revenues was from: a $3.7 million decline in Arizona, attributed to the deconsolidation of three dispensaries and two facility sites following the sale which closed as of February 10, 2025, and a $2.9 million decrease in Florida due to continued competitive pressures which led to price compression and lower sales volume during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025. This was partially offset by a $0.9 million increase in revenue in Massachusetts from higher transaction volumes and lower discounts during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025.

For the six months ended June 30, 2026, gross profit was $15.9 million, or 49.2% of sales revenues, as compared to a gross profit of $19.9 million, or 52.2% of sales revenues, for the six months ended June 30, 2025. Gross profit decreased by $4.7 million in Florida due to increased competitive pressures which led to price compression, and increased sales discounts during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025. In addition, gross profit decreased by $1.5 million in Arizona during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025. The decrease was partially offset by increased gross profit in Massachusetts by $2.3 million due to an increase in retail sales volumes, and operational efficiencies from increased production and harvest outputs resulting in lower inventory costs during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025.

During the six months ended June 30, 2026, approximately 18,910 pounds of plant material was harvested in the established region as compared to approximately 16,980 pounds harvested during the six months ended June 30, 2025. The increase in harvested plant material is primarily attributed to higher harvested volumes in Florida and Massachusetts during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025.

Emerging region

For the six months ended June 30, 2026, our sales revenues in the emerging region were $36.5 million as compared to $35.2 million for the six months ended June 30, 2025, which represents an increase of 3.6%. The increase in revenues in the emerging region is attributed to higher revenues in New Jersey by $1.2 million, and in Maryland by $0.9 million from the continued expansion of the wholesale programs in both states during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025.

For the six months ended June 30, 2026, gross profit was $16.1 million, or 44.1% of sales revenues, as compared to a gross profit of $15.1 million, or 43.0% of sales revenues, for the six months ended June 30, 2025. The higher gross profit is attributable to a $1.6 million increase in Maryland from increased sales under toll processing arrangements which yields higher margins during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025. This was partially offset by $0.3 million decrease from Illinois and Pennsylvania from lower wholesale volumes and increases in sales discounts, and a $0.2 million decrease in gross profit in New Jersey from unfavorable sales mix as we sold more bulk materials during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025.

During the six months ended June 30, 2026, approximately 3,930 pounds of plant material was harvested in the emerging region as compared to approximately 3,750 pounds harvested during the six months ended June 30, 2025. The increase is attributed to higher volumes cultivated in New Jersey during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025.

Total operating expenses

For the six months ended June 30, 2026, our total operating expenses were $36.6 million as compared to $42.4 million for the six months ended June 30, 2025, which represents a decrease of 13.7%.

The decrease in total operating expenses resulted from a $4.7 million reduction in our selling, general, and administrative expenses which is attributable to: $3.6 million decrease in legal, marketing and other professional fees during the six months ended June 30, 2026 as compared to the six months ended June 30, 2025, attributed to decreased advertising and promotional events, and as the prior year period included increased legal fees from a divestiture transaction; $0.8 million decrease in facility, insurance and technology costs during the six months ended June 30, 2026 as compared to the six months ended June 30, 2025, mainly from lower software and security charges; $0.6 million decrease in travel and other general corporate expenditures during the six months ended June 30, 2026 as compared to the six months ended June 30, 2025. This was partially offset by a $0.9 million increase in our salaries, severance and employee expenses from higher emoluments and timing of payments during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025.

In addition, the decrease in total operating expenses was attributable to a $1.0 million decrease in write-downs and other charges, attributed to: a $0.7 million write-offs, including the outstanding balance on the MA Notes of $0.5 million, and an associated $0.2 million sublease receivable, partially offset by a $0.2 million decrease in credit loss provisions during the six months ended June 30, 2026. This compares to a $1.5 million write-off on the MA Notes, and $0.1 million in credit loss provisions during the six months ended June 30, 2025.

Depreciation and amortization expenses remained unchanged at $8.3 million during the six months ended June 30, 2026 and 2025.

Total other income and expenses

For the six months ended June 30, 2026, our total other expenses were $10.1 million as compared to total other income of $2.0 million for the six months ended June 30, 2025, which represents a decrease of 619.1%.

The decrease in total other expenses during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025 is mainly attributable to a $12.1 million decrease in other income, resulting from: a $6.3 million gain on the AZ Transaction; $3.6 million from employee tax credit refunds received; $1.0 million in deferred professional fees forgiveness; and $0.5 million in interest income earned from the promissory notes recognized from the AZ Transaction during the six months ended June 30, 2025. In addition, $0.5 million was incurred in exit charges on termination of a lease; and $0.2 million from considerations paid relating to the acquisition of certain Cheetah assets during the six months ended June 30, 2026.

Accretion expenses decreased by $0.2 million during the six months ended June 30, 2026, partially offset by $0.1 million increase in interest expense charged as the principal balance on the Senior Secured Bridge Notes during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025.

Income tax expense

For the six months ended June 30, 2026, our income tax expense was $14.0 million as compared to $8.1 million for the six months ended June 30, 2025, which represents an increase of 72.3%. The increase in income tax expense is attributable to certain non-deductible items and the mix of pre-tax income across various jurisdictions, impacting our effective tax rate during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025.

Liquidity and Capital Resources

As of June 30, 2026, we held unrestricted cash of $8.0 million (December 31, 2025—$11.6 million), an accumulated deficit of $1,404.2 million (December 31, 2025—$1,375.5 million) and a working capital deficit of $232.7 million (December 31, 2025—$19.8 million). In assessing our liquidity, we monitor our cash on-hand and our expenditures required to execute our day-to-day operations and our long-term strategic plans. To date, we have financed our operations through equity and debt financings and from our cash flows from operations. We expect to finance our upcoming capital plans through a combination of additional financings, divestitures of certain assets and cash flows from our operations. However, we may be unable to raise additional funds when needed and on favorable terms, or at all, which may have a negative impact on our financial condition and could force us to curtail or cease our operations. Furthermore, our outstanding debt instruments impose certain restrictions on our operating and financing activities, including certain restrictions on our ability to incur certain additional indebtedness, grant liens, make certain dividends and other payment restrictions affecting our subsidiaries, issue shares or convertible securities and sell certain assets. Even if we believe we have sufficient funds for our current or future plans, we may seek additional capital due to favorable market conditions and/or for strategic opportunities and initiatives.

Going Concern

The accompanying unaudited interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes that we will continue to operate as a going concern, and which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. Our ability to continue as a going concern is dependent upon our ability to raise additional capital, our ability to achieve sustainable revenues and profitable operations, and our ability to obtain the necessary capital to meet our obligations and repay our liabilities when they become due.

While we believe that we have funding necessary for us to continue as a going concern, we may need to raise additional capital and there can be no assurance that such capital will be available to us on favorable terms, if at all. As such, these material circumstances cast substantial doubt on our ability to continue as a going concern for a period of no less than 12 months from the date of this report, and our unaudited interim condensed consolidated financial statements do not include any adjustments that might be necessary if we are unable to continue as a going concern. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently plan due to incorrect assumptions or due to a decision to expand our activities beyond those currently planned.

Cash Flow for the Six Months Ended June 30, 2026, as Compared to the Six Months Ended June 30, 2025

Operating Activities

Our net cash flows from operating activities are affected by several factors, including revenues generated by operations, increases or decreases in our operating expenses, including expenses related to new capital projects and development and expansion of newly acquired businesses and the level of cash collections from our customers.

Net cash provided from operating activities during the six months ended June 30, 2026 was $1.8 million as compared to $6.3 million for the six months ended June 30, 2025. The decrease in our net cash provided from operating activities during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025, was due primarily to the following: our net loss of $28.7 million, adjusted for $9.4 million of depreciation and amortization expense; $8.4 million in interest expense; $1.0 million in share-based compensation expense; $2.2 million of accretion expense; $0.4 million in write-downs and other charges, from credit loss provisions; $0.2 million in interest income; $0.1 million gain on our equity method investment; and $9.1 million from changes in operating assets and liabilities items during the six months ended June 30, 2026.

Changes in other operating assets for the six months ended June 30, 2026 include a marginal decrease in cash from inventory of $0.1 million due to the timing of sales and purchases during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025, an increase from accounts receivable of $4.7 million from higher wholesale sales and the timing of collections during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025, and a decrease in cash from prepaid expenses of $0.9 million during the six months ended June 30, 2026, mainly relating to timing of renewals and amortization of insurance and rent, as compared to the six months ended June 30, 2025.

Changes in other operating liabilities for the six months ended June 30, 2026 include an increase in uncertain tax position liabilities of $6.2 million due to accrued income taxes being recognized as an uncertain tax position during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025, an increase in accrued and other current liabilities of $8.2 million, mainly related to capex activities, $2.3 million of accrued current contingent consideration payable, and a decrease in accounts payable of $9.0 million, related to the timing of purchases and accruals for professional fees, payroll and insurance, as compared to the six months ended June 30, 2025.

As we continue to expand our operations and as these operations become more established, we continue to expect cash flow to be provided from operations, and we intend to place less reliance on financing from other sources to fund our operations. Although we expect to continue to have positive cash flows from operations in 2026, no assurance can be given that we will have positive cash flows in the future.

Investing Activities

Net cash used in investing activities during the six months ended June 30, 2026 was $5.1 million as compared to $7.8 million in net cash provided by investing activities during the six months ended June 30, 2025. The decrease in cash from investing activities was primarily attributable to the $15.8 million proceeds received from the sale of certain assets in Arizona during the six months ended June 30, 2025; and $0.2 million decrease in payments received from the Nevada promissory notes. This was partially offset by $2.7 million in lower capital expenditures for funding cultivation and dispensary projects in Florida, New York and Maryland; $0.4 million decrease in consideration payments related to the acquisition of certain Cheetah assets; and less than $0.1 million decrease during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025.

Financing Activities

Net cash used in financing activities for the six months ended June 30, 2026 was $0.3 million as compared to net cash used in financing activities of $9.3 million for the six months ended June 30, 2025. During the six months ended June 30, 2026, we paid less than $0.1 million on our employees' behalf as part of RSUs issuances, as compared to $0.1 million during the six months ended June 30, 2025. Further, we repaid $0.3 million of debt during the six months ended June 30, 2026, as compared to $9.1 million during the six months ended June 30, 2025.

Related Party Transactions

Upon the closing of the Recapitalization Transaction, certain of our lenders held greater than 5% of the voting interests in our Company and therefore are classified as related parties. For further discussion, refer to Note 5 of the unaudited interim condensed consolidated financial statements included in Item I of this Quarterly Report on Form 10-Q for the quarter ended June 30, 2026.

Pursuant to the terms of the Secured DPA, we have a related party payable of $6.3 million due to certain of the New Secured Lenders, including Gotham Green Fund 1, L.P., Gotham Green Fund 1 (Q), L.P., Gotham Green Fund II, L.P., Gotham Green Fund II (Q), L.P., Oasis Investments Master II Fund LTD., Senvest Global (KY), LP, Senvest Master Fund, LP and Hadron Healthcare and Consumer Special Opportunities Master Fund, for certain out-of-pocket costs, charges, fees, taxes and other expenses incurred by the New Secured Lenders in connection with the closing of the Recapitalization Transaction (the “Deferred Professional Fees”). These New Secured Lenders held greater than 5.0% of the outstanding common shares of the Company upon the closing of the Recapitalization Transaction and are therefore considered to be related parties. We had until December 31, 2022, to pay the Deferred Professional Fees ratably based on the amount of each New Secured Lender’s Deferred Professional Fees. The Deferred Professional Fees accrued simple interest at the rate of 12.0% from the Closing Date until December 31, 2022. Beginning with the first business day of the month following December 31, 2022, interest shall accrue on the Deferred Professional Fees at the rate of 20.0% calculated on a daily basis and is payable on the first business day of every month until the Deferred Professional Fees and accrued interest thereon is paid in full. On February 5, 2025, we entered into consent and release agreement with Secured Lenders to utilize cash proceeds upon the closing of the AZ Transaction to payments in the amount of $5.0 million towards the principal amount outstanding under the Deferred Professional Fees. In addition, the Secured Lenders agreed to reduce the outstanding amount of the Deferred Professional fees by $1.0 million and reduce interest to 8% on the remaining balance. On September 2, 2025, the Company applied cash proceeds from the sale of the AZ Note, utilizing $0.3 million toward the remaining principal and $0.9 million toward accrued interest under the Deferred Professional Fees. As of June 30, 2026, the outstanding related party portion of the Deferred Professional Fees including accrued interest was $2.2 million (December 31, 2025 – $2.2 million). The related party balance is presented in accrued and other current liabilities on the unaudited interim condensed consolidated balance sheets.

Pursuant to the terms of 2024 NJ Amendment, interest accruing after February 16, 2024 will be payable in cash on the last day of each fiscal quarter (the first such interest payment date being May 16, 2024). As of June 30, 2026 the outstanding related party portion of the interest payable was $0.1 million (December 31, 2025 - $0.1 million) presented in accrued and other current liabilities on the unaudited interim condensed consolidated balance sheets.

Critical Accounting Policies and Accounting Estimates

The preparation of our unaudited interim condensed consolidated financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America and our discussion and analysis of our financial condition and operating results require our management to make judgments, assumptions and estimates that affect the amounts reported. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Our significant accounting policies and estimates are described in Note 2, “Summary of Significant Accounting Policies,” of the Notes to Consolidated Financial Statements in Part II, Item 8 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 filed with the SEC on March 27, 2026 which describes the significant accounting policies and methods used in the preparation of our consolidated financial statements.

There have been no other material changes to our critical accounting policies and estimates from the date upon which we filed our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 with the SEC.

JOBS Act

On April 5, 2012, the Jumpstart Our Business Startups Act of 2012 ("JOBS Act") was enacted. Section 107 of the JOBS Act provides that an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the "Securities Act") for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

We have chosen to take advantage of the extended transition periods available to emerging growth companies under the JOBS Act for complying with new or revised accounting standards until those standards would otherwise apply to private companies provided under the JOBS Act. As a result, our financial statements may not be comparable to those of companies that comply with public company effective dates for complying with new or revised accounting standards.

Subject to certain conditions set forth in the JOBS Act, as an "emerging growth company," we intend to rely on certain of these exemptions, including, without limitation, with respect to (i) providing an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002, as amended, and (ii) complying with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements, known as the auditor discussion and analysis. We will remain an "emerging growth company" until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of $1.235 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of the first sale of our common equity securities under an effective registration statement under the Securities Act; (iii) the date on which we have issued more than $1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company is not required to provide the information required by this Item as it is a “smaller reporting company,” as defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the "Exchange Act").

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

We maintain “disclosure controls and procedures,” as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to its management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that as of June 30, 2026, our disclosure controls and procedures were not effective due to material weaknesses, which could adversely affect our ability to record, process, summarize, and report financial data. Such weaknesses include: (1) reviewing relevant Service Organization Control Reports for key third party service providers; (2) performing effective risk assessment and/or monitor internal controls over financial reporting.

We have developed a plan to remediate the material weaknesses, which includes dedicating additional resources to assess and improve our ITGCs, and developing a roadmap to become SOX compliant by the required deadline.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

From time to time, we may become involved in various lawsuits and legal proceedings. Litigation is subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may harm our business. Except as set forth in this Item 1 of Part II or in Item 1 of Part I, "Financial Statements Note 11 - Contingencies and Guarantees", or in Item 3 of Part I, "Legal Proceedings", of our Annual Report on Form 10-K for the year ended December 31, 2025 ("Annual Report"), we are currently not aware of any such legal proceedings or claims that will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results. The following is an update to the status of previously disclosed matters as of June 30, 2026:

Claim by Former Consultant

On August 19, 2021, Arvin Saloum ("Saloum"), a former consultant of the Company, filed a Demand for Arbitration with the American Arbitration Association (the "Arbitration Action") against THCWC and iA AZ claiming a breach of a Consulting and Joint Venture Agreement (the "JV Agreement") for unpaid consulting fees allegedly owed to Saloum under the JV Agreement. Saloum is claiming damages between $1,000,000 and $10,000,000. On September 7, 2021, THCWC and iA AZ filed Objections and Answering Statement to Saloum's Demand for Arbitration. On November 18, 2021, THCWC and iA AZ filed a Complaint for Declaratory Judgment ("Declaratory Judgment Complaint") with the Arizona Superior Court, Maricopa County ("Arizona Superior Court"), seeking declarations that: (i) the JV Agreement is void, against public policy and terminable at will; (ii) the JV Agreement is unenforceable and not binding; and (iii) the JV Agreement only applies to sales under the Arizona Medical Marijuana Act. On January 21, 2022, Saloum filed an Answer with Counterclaims in response to the Declaratory Judgment Complaint. The Declaratory Judgment Complaint remains pending before the Arizona Superior Court. The Arbitration Action is stayed, pending resolution of the Declaratory Judgment Complaint. On April 25, 2023, the parties attended a mediation, which was unsuccessful. The parties are currently engaging in discovery.

On March 23, 2026, Saloum filed a Partial Motion for Summary Judgment, seeking a declaration that the JV Agreement is binding upon THCWC, iA AZ and the Company (collectively, the "iAnthus Parties") because: (i) the iAnthus Parties ratified the JV Agreement by making payments to Saloum; (ii) the iAnthus Parties assumed the obligations under the JV Agreement in connection with the Company's acquisition of the U.S. operations of MPX Bioceutical Corporation ("MPX Corporation"), which amalgamated into MPX Bioceutical ULC (the "MPX Acquisition"); (iii) the MPX Acquisition was a de-facto merger, meaning MPX Corporation's obligations became the iAnthus Parties'; and (iv) the iAnthus Parties are stopped from denying the enforceability of the JV Agreement because Saloum relied upon the iAnthus Parties' performance. The iAnthus Parties' filed their response on April 22, 2026. Oral argument for Salaoum's Partial Motion for Summary Judgment was held on June 23, 2026, and the motion remains pending.

ITEM 1A. RISK FACTORS.

Risk factors that affect our business and financial results are discussed in Part I, Item 1A "Risk Factors," in our Annual Report. There have been no material changes in our risk factors from those previously disclosed in our Annual Report. You should carefully consider the risks described in our Reports, which could materially affect our business, financial condition or future results. The risks described in our Reports are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, and/or operating results. If any of the risks actually occur, our business, financial condition, and/or results of operations could be negatively affected.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Trading Arrangements

During the quarterly period ended June 30, 2026, none of the Company's directors or officers (as defined in Rule 16a-1(f) promulgated under the Exchange Act) adopted or terminated any "Rule 10b5-1 trading arrangement" or any "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Additional Information

None.

ITEM 6. EXHIBITS.

Exhibit No.	Description
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes- Oxley Act of 2002
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes- Oxley Act of 2002
101.INS	Inline XBRL Instance Document - the instance document does not appear in the interactive Data File as its XBRL tags are embedded within the inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	The cover page for the Company’s Quarterly Report on Form 10-Q has been formatted in Inline XBRL and contained in Exhibit 101

* Filed herewith.
** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	IANTHUS CAPITAL HOLDINGS, INC.
Date: August 12, 2026	By: /s/ Richard Proud
	Richard Proud Chief Executive Officer (Principal Executive Officer)
Date: August 12, 2026	By: /s/ Jason Ware
	Jason Ware Chief Financial Officer (Principal Financial and Accounting Officer)

Exhibit 31.1

Certification of Chief Executive Officer of iAnthus Capital Holdings, Inc.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Richard Proud, certify that:

1.I have reviewed this Quarterly Report on Form 10-Q of iAnthus Capital Holdings, Inc.;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

a.Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b.Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c.Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d.Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a.All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b.Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2026

/s/ Richard Proud

Richard Proud
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Chief Financial Officer of iAnthus Capital Holdings, Inc.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Jason Ware, certify that:

1.I have reviewed this Quarterly Report on Form 10-Q of iAnthus Capital Holdings, Inc.;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:

a.Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b.Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c.Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d.Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a.All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b.Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2026

/s/ Jason Ware

Jason Ware
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

Certification of Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, Richard Proud, Chief Executive Officer of iAnthus Capital Holdings, Inc. (the “Company”), hereby certifies that based on the undersigned’s knowledge:

1. The Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2026 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 12, 2026

/s/ Richard Proud

Richard Proud
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification of Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, Jason Ware, Chief Financial Officer of iAnthus Capital Holdings, Inc. (the “Company”), hereby certifies that based on the undersigned’s knowledge:

1. The Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2026 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 12, 2026

/s/ Jason Ware

Jason Ware
Chief Financial Officer
(Principal Financial and Accounting Officer)